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STATE OF MISSOURI

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 1987

JOHN ASHCROFT
Governor

JOHN A. PELZER
Commissioner
Office of Administration

JAMES A. CARDER
Director
Division of Accounting

Prepared by
Office of Administration, Division of Accounting

STATE OF MISSOURI

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 1987

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The Introductory Section includes material to familiarize the reader with the contents of the report, the organizational structure and financial operations of the State.

John Ashcroft
Governor

John A. Pelzer
Commissioner

State of Missouri
OFFICE OF ADMINISTRATION
Post Office Box 809
Jefferson City
65102

James A. Carder, Director
Division of Accounting

December 23, 1987

The Honorable John Ashcroft
Governor
State of Missouri
State Capitol
Jefferson City, Missouri 65101

Dear Governor Ashcroft:

The Comprehensive Annual Financial Report of the State of Missouri for the fiscal year ended June 30, 1987, is submitted herewith. This report has been prepared according to the principles prescribed in Statement 1, "Governmental Accounting and Financial Reporting Principles" issued by the National Council on Governmental Accounting (NCGA) in March 1979 and accepted by the Governmental Accounting Standards Board (GASB). In 1984, GASB issued Statement No. 1 "Authoritative Status of NCGA Pronouncements and AICPA Industry Audit Guide" which provides that all NCGA pronouncements issued and currently in effect and "The Industry Audit Guide," as amended by the American Institute of Certified Public Accountants, are considered to be generally accepted accounting principles "until altered, amended, supplemented, revoked or superseded by a subsequent GASB pronouncement."

The financial statements of the College and University Funds have been prepared in conformity with generally accepted accounting principles as prescribed by the National Association of College and University Business Officers.

This report conforms to the "pyramid" approach to governmental financial reporting prescribed in NCGA Statement 1. This report is divided into an Introductory Section, a Financial Section, and a Statistical Section. The Introductory Section contains the letter of transmittal and an overview of the report, graphic presentations of revenues and expenditures/expenses, an organization chart for the State, and a list of principal State officials. The Financial Section includes the auditor's opinion, the combined financial statements, which provide an overview of the State's financial position and operating results, the notes to the financial statements, which present a summary of significant accounting policies of the State and other information necessary for understanding these financial statements, combining financial statements

by fund type, which present detailed information for each fund, other schedules that provide additional detailed information relative to the combined financial statements, and certain narrative information describing the individual funds. The Statistical Section includes a number of statistical tables that present various financial, economic and demographic data about the State.

Following this letter is an overview of the report. This overview summarily describes the State's government, operations and finances by addressing these topics: Reporting Entity, Organizational Structure and Services Provided, Summary of Accounting System and Budgetary Control, Management Responsibilities and Representations, Results of Operations, Cash Management, General Long-Term Debt and Other Similar Obligations, Pension Funds, Property Reassessment, Desegregation, Tax Limitation Amendment, Audit and Economic Trends.

In fiscal year 1987, the State acquired historical cost or estimated historical cost information on fixed assets. This is the first year that the State has had sufficient fixed asset records for financial reporting. The fixed asset information is maintained in an automated system which was implemented in fiscal year 1987.

We wish to express our appreciation to the staff of the various State agencies and other organizational units, who provided us with necessary financial information, and to the State Auditor's Office for their assistance.

Sincerely,

James A Carder

James A. Carder, Director
Division of Accounting

STATE OF MISSOURI
OVERVIEW
June 30, 1987

REPORTING ENTITY

For financial reporting purposes, in conformance with Statement 3, "Defining the Governmental Reporting Entity" issued by the National Council on Governmental Accounting in December 1981 and accepted by the Governmental Accounting Standards Board in 1984, all funds, account groups, agencies and other organizational units that are controlled by or dependent on the State are considered to be part of the reporting entity. Based on this criteria, in addition to the Legislative, Executive and Judicial agencies, the following organizations are also included in the State's annual financial report:

Board of Public Buildings - This board was created by State law and its governing body is made up of the Governor, the Attorney General and the Lieutenant Governor. Its purpose is to provide State buildings by issuing revenue bonds and to supervise the operations of these facilities. All construction contracts must be approved by the State's Division of Design and Construction and its projects must be approved by the General Assembly. The board can require State agencies to occupy its projects and to pay their share of costs from State appropriations for the operation and maintenance of these buildings and for the retirement of these bonds.

Housing Development Commission - This commission was created by State law and for administrative purposes is assigned to the Department of Economic Development. The commission is authorized to make or purchase mortgage loans and to insure mortgage loans, the funds of which are used to develop new or rehabilitated low and moderate income housing. The commission is also authorized to issue bonds and notes for making or purchasing such loans. Its employees are covered by the State merit system and the State retirement plan. Its governing body is made up of the Governor, the State Treasurer, the Attorney General and six members appointed by the Governor with the advice and consent of the Senate. If for any reason the commission ceases to exist, its rights and properties shall pass to and be vested in the State, subject to the rights of lienholders and other creditors.

Higher Education Loan Authority - This authority was created by State law and is assigned to the Department of Higher Education. It is authorized to issue debt to carry out its purpose, which is to provide a secondary market for loans made under the insured student loan program provided by the Higher Education Act. Its governing body consists of five members appointed by the Governor with the advice and consent of the Senate, one member of the Coordinating Board of Higher Education and the Commissioner of Higher Education.

State Environmental Improvement and Energy Resources Authority - This authority was created by State law and is assigned to the Department of Natural Resources. Its governing body consists of five members appointed by the Governor with the advice and consent of the Senate. It is authorized to finance, acquire, construct and equip projects for the purpose of reducing, preventing or controlling pollution and to provide for the development of energy resources of the State. Its employees are covered under the State retirement plan. Upon termination or dissolution of the authority, all rights and properties shall pass to and be vested in the State subject to the rights of noteholders, bondholders and other creditors.

Industrial Development Board - This board was created by State law to promote the economic development of this State. The Governor, with the approval of the Senate, appoints nine board members. The Department of Economic Development or the Department of Highways and Transportation must approve all development plans prior to submission to the board members. In addition, these same departments administer any debt or loan security agreement between the board and other parties.

Health and Educational Facilities Authority - This authority was created by State law and is assigned to the Department of Economic Development. It is authorized to issue revenue bonds to finance health and educational facilities for not-for-profit institutions within the State. Also, the authority assists not-for-profit institutions in borrowing funds at the lowest possible cost in order to provide quality, medical and educational services to State residents. Its governing body consists of seven members appointed by the Governor with the advice and consent of the Senate. The authority's fiscal year ends December 31, therefore, financial statements for its reporting period ending December 31, 1986 have been included in this report.

Agriculture and Small Business Development Authority - This authority was created by State law. Its governing body consists of seven members appointed by the Governor with the advice and consent of the Senate. It is authorized to issue bonds to finance agricultural and small business development loans for property acquisitions and renovations and pollution control facilities throughout the State. If for any reason the authority ceases to exist, all rights and properties of the authority will pass to the State.

Deferred Compensation Commission - The State offers all employees a deferred compensation plan. This plan was established by the Missouri State Public Employees Deferred Compensation Commission which is made up of one member of the House of Representatives, one member of the Senate and three other commissioners appointed by the Governor with the advice and consent of the Senate. It is administered by the Public Employees Benefit Services Corporation of Missouri (PEBSCO). Under this plan, employees are permitted to defer a portion of their current salary until future years. The plan's fiscal year ends December 31, therefore,

financial statements for its reporting period ending December 31, 1986 have been included in this report. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the State (without being restricted to the provisions of benefits under the plan), subject only to the claims of the State's general creditors.

Colleges and Universities - The Coordinating Board for Higher Education has certain responsibilities for these institutions and they receive State support. Following are the public four-year colleges and universities included in the financial statements:

Central Missouri State University
Harris-Stowe College
Missouri Southern State College
Missouri Western State College
Northeast Missouri State University
Northwest Missouri State University
Southeast Missouri State University
Southwest Missouri State University
University of Missouri

The financial statements for Lincoln University are not included because they were not available and are immaterial to the college and university funds as a whole.

The State participates in the Public School Retirement System as an employer of certified teachers who are members. However, the major financial support is from the Public School Districts. The system is financed by employee and employer contributions. The general administration and oversight responsibility are invested in a Board of Trustees. The State has no fiscal control or authority over the system. Therefore, financial information for the Public School Retirement System is not included within the scope of the accompanying financial statements.

ORGANIZATIONAL STRUCTURE AND SERVICES PROVIDED

The State was organized as a territory in 1812 and was admitted to the Union as the 24th state on August 10, 1821.

Under the Constitution of Missouri adopted in 1945, the State government is divided into three separate branches -- the Legislative, the Executive and the Judicial.

The Legislative power of the State is vested in the General Assembly, which is composed of the Senate and the House of Representatives. The Senate consists of 34 members who are elected for four year terms. The House of Representatives consists of 163 members who are elected for two year terms. The General Assembly meets annually and enacts appropriations for each appropriation year.

There are six elected officials in the Executive branch of the State government, each elected for a four year term. They are as follows:

The Governor is vested with the supreme executive power of the State.

The Lieutenant Governor is the ex officio president of the Missouri Senate. If for any reason the Governor is unable to fulfill his duties, the Lieutenant Governor fills the office.

The Secretary of State is the keeper of the Great Seal of the State of Missouri and custodian of the State's records. He is the State's chief elections officer, enforcer of business and investment laws, overseer of political campaign spending and practices, and a publisher of books and documents of the State.

The State Auditor establishes appropriate systems of accounting for the State, post-audits the accounts of State agencies and makes other audits and investigations required by law.

The State Treasurer is custodian of all State funds and has the responsibility to invest State monies.

The Attorney General is the State's chief legal officer.

The Executive branch was reorganized in 1974 pursuant to the approval of a Constitutional Amendment by the people in 1972 and enactment by the General Assembly of the Omnibus State Reorganization Act of 1974. Upon completion of the State's reorganization, over 90 independent agencies and 440 State programs were consolidated into the Office of Administration and 13 departments. On November 6, 1979, the voters approved a Constitutional Amendment calling for a merger of the Department of Highways and the Department of Transportation into one department effective January 1, 1980. The Department of Corrections and Human Resources was established in September, 1981 as a result of legislative action. On August 7, 1984, the voters approved a constitutional amendment changing the name of the Department of Consumer Affairs, Regulation and Licensing to the Department of Economic Development and transferring the Commission on Human Rights to the Department of Labor and Industrial Relations. The Department of Health was established and the Division of Health within the Department of Social Services was abolished as a result of legislative action on September 28, 1985. The Office of Administration and the departments of Agriculture, Corrections and Human Resources, Economic Development, Health, Natural Resources, Public Safety, Revenue, and Social Services are headed by directors appointed by the Governor. The departments of Conservation, Elementary and Secondary Education, Higher Education, Highways and Transportation, Labor and Industrial Relations, and Mental Health are headed by commissions whose members are appointed by the Governor. The basic services provided by the departments are:

Office of Administration - responsible for coordinating the central management functions of the State government. The State's accounting, budget and planning, design and construction, data processing, personnel, purchasing, risk management and various administrative functions are performed by the Office of Administration.

Department of Agriculture - responsible for the enforcement of State laws regulating the handling and marketing of agribusiness products and for the protection of producers, processors, distributors and consumers of food and fiber and for the promotion of Missouri's agricultural economy.

Department of Conservation - responsible for management of the State's wildlife and forest resources. The department cooperates with agricultural and soil agencies and has its own broad program of forest and wildlife habitat restoration which contributes importantly to water quality and soil erosion control.

Department of Corrections and Human Resources - responsible for supervising and managing all penal, correctional, training, rehabilitation and reformatory institutions, and the probation and parole program of the State.

Department of Economic Development - responsible for economic development, regulation of business and financial institutions and professional registration.

Department of Elementary and Secondary Education - responsible for providing services to the public schools of Missouri in order that free public schools exist for the gratuitous instruction of all persons in this State within ages not in excess of twenty-one years as prescribed by law.

Department of Health - responsible for supervising and managing all public health functions and programs for the State.

Department of Higher Education - responsible for Missouri's public two-year and four-year colleges and universities, the Missouri State Library, the Missouri Student Grant Program, the Missouri Guaranteed Student Loan Program and the Missouri State Anatomical Board.

Department of Highways and Transportation - responsible for highways, airways, waterways, transit and railroads. Responsibilities for the 32,000 mile highway system include highway location, design, construction and maintenance. The department cooperates and coordinates with owners and operators of the four other modal systems in the development and improvement of airports, rail facilities, ports and the operational cost of transit systems.

Department of Labor and Industrial Relations - responsible for administering laws in behalf of workers, employees and other related groups.

Department of Mental Health - responsible for reducing the incidence and prevalence of mental disorders, developmental disabilities, and substance abuse.

Department of Natural Resources - responsible for the critical area of energy, balancing the need for wilderness protection with the need to develop mineral resources, protecting Missouri's environment and working to preserve the State's historic and cultural heritage.

Department of Public Safety - responsible for coordinating all elements of criminal investigation, law enforcement and public safety activities undertaken by State government.

Department of Revenue - responsible for the collection of taxes, titling and registration of motor vehicles and licensing of drivers throughout the State.

Department of Social Services - responsible for coordinating programs to provide public assistance to children and their parents, to extend particular services to the elderly and to provide specialized assistance to young people in conflict with or in flight from their environment.

The Judicial branch adjudicates the controversies that arise between persons and parties, determines the guilt or innocence of persons charged with criminal offenses, and interprets the laws of the State as enacted by the General Assembly. The Judicial branch carries out its function through a unified system of courts consisting of the Supreme Court of Missouri, the Court of Appeals, which is divided into three districts, and the Circuit Courts located in the 43 judicial circuits of the State. The Constitution, as amended in 1976, provides that a Nonpartisan Court Plan is to be in effect for the Supreme Court, the Court of Appeals and certain circuit courts. This plan provides for the nonpartisan appointment of the judges for those courts included in the plan. All other judges are popularly elected.

SUMMARY OF ACCOUNTING SYSTEM AND BUDGETARY CONTROL

The State's accounting system is set up on a fund basis and each fund is a fiscal and accounting entity with a self-balancing set of accounts. The State's financial statements for Governmental Funds (General, Special Revenue, Debt Service and Capital Projects), Expendable Trust Funds and Agency Funds have been prepared on the modified accrual basis of accounting in conformity with generally accepted accounting principles. Revenues on this basis are recognized when measurable and available to finance current expenditures; expenditures are recognized when the related liability is incurred. Proprietary Funds (Enterprise and Internal Service), Non-Expendable Trust Funds, Pension and Insurance Trust Funds and College and University Funds are accounted for on the accrual basis. Revenues on the accrual basis are recognized when earned; expenses are recognized when incurred. A Summary of the State's Significant Accounting Policies and other necessary disclosures are included in the Notes to the Financial Statements.

The State's annual budget is prepared principally on the cash basis and represents departmental appropriations recommended by the Governor and passed by the State legislature prior to the beginning of the fiscal year. If appropriations are not sufficient for a fiscal year, supplemental amounts are requested during the next legislative session by the same process as original appropriations are requested. Budgetary control is maintained at the departmental level. Expenditures cannot exceed the appropriation amounts at the individual appropriation level. Also, the Governor has the authority to reduce the allotments or appropriations in any fund if it appears that

revenues for the fiscal year will fall below the estimated revenues. Unexpended appropriations lapse at the end of each appropriation year. Since the budgetary basis differs from generally accepted accounting principles, actual amounts in the accompanying "Combined Statement of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Budgetary Basis) and Actual" are presented on the budgetary basis; that is, the cash basis for the eighteen month appropriation year which includes the fiscal year, July 1 through June 30, plus the six month appropriation lapse period, July 1 through December 31. Detailed appropriation information is presented in the Appropriation Activity Report which is prepared for the appropriation year ending December 31. Copies of this report can be requested from:

Office of Administration
Division of Accounting
P.O. Box 809
Jefferson City, Missouri 65102

Encumbrance accounting under which purchase orders, contracts and other commitments for the expenditure of moneys are recorded in order to reserve that portion of the applicable appropriation, is employed for purposes of budgetary control. Encumbrances at year end do not constitute expenditures or liabilities. A portion of fund balance for Governmental Funds is reserved for outstanding encumbrances chargeable to the current reporting period that exist at the end of the period. A portion of the unreserved fund balance for Governmental Funds is designated for outstanding encumbrances that are chargeable to the subsequent reporting period but incurred prior to the end of the current period.

MANAGEMENT RESPONSIBILITIES AND REPRESENTATIONS

The financial statements are based on generally accepted accounting principles considered by management to present fairly and consistently the State's financial position and results of operations. Previously, adequate fixed asset amounts for acquisitions prior to July 1, 1978 did not exist. However, in fiscal year 1987, the State acquired historical cost or estimated historical cost information on fixed assets. This information is maintained in a fixed assets system which was implemented in fiscal year 1987. Fixed asset information is included in the current financial statements.

The State's system of internal accounting controls is designed to provide reasonable assurance that (1) transactions are executed in accordance with management's authorizations; (2) assets are protected against loss from unauthorized use or disposition; and (3) financial records are reliable for preparing financial statements and maintaining accountability for assets and obligations.

RESULTS OF OPERATIONS

General Government

Revenues for general government functions (General Fund, Special Revenue Funds, Debt Service Funds and Capital Projects Funds) totaled $5.5 billion in fiscal year 1987, an increase of 5.7% over fiscal year 1986. Taxes produced 65.2% of general revenues compared to 64.1% last year and were the primary factor in the increase of general government revenues. The increase in tax revenues was attributed to Federal Tax Law changes which resulted in favorable individual and corporate income levels, the passage of an additional sales tax and the federally funded Job Training Partnership Act. The amount of revenues from various sources and the increase over last year are shown below (in thousands of dollars):

Revenue Sources	Amount	Percent of Total	Increase (Decrease) from 1986
Taxes	$3,586,246	65.18%	$ 248,506
Licenses, Fees and Permits	283,176	5.15	11,538
Sales	12,180	.22	(2,904)
Leases and Rentals	1,026	.02	(41)
Services	56,169	1.02	8,929
Contributions and Intergovernmental	1,475,195	26.81	30,575
Interest, Penalties and Unclaimed Properties	75,717	1.38	(546)
Miscellaneous	11,962	.22	542
	$5,501,671	100.00%	$ 296,599

Expenditures for general government functions (General Fund, Special Revenue Funds, Debt Service Funds and Capital Projects Funds) totaled $5.8 billion in fiscal year 1987, an increase of 8.9% over fiscal year 1986. The expenditure increase is attributed to increased Federal programs, including the Job Development and Training Program, increased funding for Education, capital expenditures for additional correctional facilities and an increased development in Missouri tourism.

The increases in general government expenditures by function over the preceding year are as follows (in thousands of dollars):

Function	Amount	Percent of Total	Increase (Decrease) from 1986
General Government	$ 339,128	5.85%	$ 56,742
Education	2,257,574	38.91	178,891
Natural and Economic Resources	371,246	6.40	92,668
Transportation and Law Enforcement	757,795	13.06	(91,896)
Human Services	1,710,691	29.49	99,127
Capital Outlay	316,309	5.45	123,865
Debt Services	48,865	.84	16,165
	$5,801,608	100.00%	$ 475,562

Fund balances of general government funds at June 30, 1987 and 1986 are summarized as follows (in thousands of dollars):

	General		Special Revenue		Debt Service		Capital Projects	
Fund Balance	1987	1986	1987	1986	1987	1986	1987	1986
Reserved	$240,677	$224,255	$ 2,209	$ 3,537	$ 72,399	$ 52,671	$113,331	$ 37,999
Unreserved:								
Designated	38,673	19,088	17,612	8,397	---	---	35,618	841
Undesignated	7,758	77,336	201,900	176,464	---	---	158,086	51,619
Totals	$287,108	$320,679	$221,721	$188,398	$ 72,399	$ 52,671	$307,035	$ 90,459

Enterprise Funds

The State has eighteen Enterprise Funds which provide various goods and services including: constructing and operating State park facilities, fairgrounds, historical properties and office buildings, providing financial assistance from the sale of revenue bonds for environmental needs, economic development, educational assistance and construction or renovation of health and educational facilities, hospital services, warehousing, merchandising, publishing maps and documents, and the operation of the State Lottery.

Aggregate comparative data for all Enterprise Funds for the current and prior fiscal years are as follows (in thousands of dollars):

	1987	1986
Total revenues	$ 355,910	$ 379,106
Total expenses	271,245	275,385
Operating income	83,753	104,097
Net income	(165,203)	263,862
Total assets	3,144,515	3,299,668
Total liabilities	2,655,510	2,649,587
Total equity	489,005	650,081
Income available for debt service	348,885	405,308
Annual debt service	434,254	485,824
Debt service coverage (income available for debt service divided by annual debt service)	.80	.83

CASH MANAGEMENT

During the year, temporary surplus cash from the various State funds are invested by the State Treasurer. Most of these funds' cash balances are pooled for investment purposes. The State also invests its "float" which increases the earning power. Cash was invested in time deposits with maturities ranging from 30 to 365 days, in U.S. Treasury bills with maturities ranging from 1 to 1,096 days and in repurchase agreements with maturities ranging from 1 to 90 days. At June 30, 1987, these investments consisted of:

	Amount	Interest Rates
Time Deposits	$534,697,000	2.70 to 7.10%
Treasury Bills	$348,802,000	5.81 to 8.08%
Repurchase Agreements	$407,642,000	6.55 to 6.65%

The average yield on maturing investments during the year was 5.84% and the amount of interest received was $77,553,000.

GENERAL LONG-TERM DEBT AND OTHER SIMILAR OBLIGATIONS

The amount of general obligation debt that can be issued by the State is limited to the amount approved by citizen vote plus the amount of $1 million. The State's debt limit at June 30, 1987 was $951,000,000 of which $221,506,000 was unissued. The general obligation debt position of the State at June 30, 1986 was as follows:

General obligation bonded debt (net of Debt Service Fund balances)	$ 256,249,000
Percent of assessed value	0.80%
Debt per capita	$ 50.58

During fiscal year 1987, $7,395,000 of the bonds were retired and $385,000,000 new bonds were issued. At year end, the total bonded debt outstanding was $686,525,000 and the interest rate range was .05 - 11.1%.

The State's general obligation bond issues received excellent ratings as follows:

Moody's Investors Service	Aaa
Standard & Poor's	AAA

Other general long-term obligations include the following:

The unfunded accrued liabilities of the Missouri State Employees' Retirement System and of the pay-as-you-go benefit groups and the unfunded accrued benefits of the Highway Employees' and Highway Patrol Retirement System in the amount of $475,583,000 which will be paid primarily from the General Fund and Special Revenue Funds.

Compensated absences, unpaid vacation and compensatory time accruals, in the amount of $69,571,000 which will be paid primarily from the General Fund, Special Revenue Funds and Capital Projects Funds.

Due to other entities, amounts owed to the City of St. Louis and to the Federal government from the Department of Highways and Transportation, in the amount of $16,024,000 which will be paid from a Capital Projects Fund.

Obligations under lease/purchases in the amount of the minimum future lease payments, of $60,122,000 which will be paid from the General Fund and Special Revenue Funds.

PENSION FUNDS

The State has two retirement systems, the Missouri State Employees' Retirement System (MOSERS) and the Highway Employees' and Highway Patrol Retirement System (HEHPRS). Total assets of the MOSERS Trust Fund and HEHPRS Trust Fund at June 30, 1986 were $1,021,296,000 and $303,192,000, respectively. The latest actuarial valuations for MOSERS and HEHPRS, prepared from data collected through June 30, 1986, indicates that the unfunded accrued liabilities for MOSERS and the pay-as-you-go benefit groups were $332,769,000 and $46,790,000, respectively, and the unfunded accrued benefits for HEHPRS was $96,022,000. The ratios of the unfunded accrued benefits to total assets were 33% and 32% at June 30, 1986 for MOSERS and HEHPRS, respectively.

PROPERTY REASSESSMENT

Statewide reassessment was completed December 31, 1984. Commencing January 1, 1985, real property classified as residential was assessed at 19% of its true value in money, agricultural property was assessed at 12% of its productivity value and real property classified as commercial was assessed at 32% of its true value in money.

A tax levy rollback was initiated in 1985 to ensure that windfall revenues were not realized by taxing jurisdictions. Thus, revenues generated after implementation of reassessment did not increase appreciably from revenues received prior to the statewide reassessment program.

DESEGREGATION

In 1972, a group of City of St. Louis residents sued the Board of Education of the City of St. Louis in U.S. District Court, Eastern District of Missouri, Eastern Division, alleging that the Board of Education had established and maintained a racially segregated school system in violation of the U.S. Constitution. The U.S. Department of Justice, Civil Rights Division, intervened in the case, which was expanded into a class action suit. In 1977, the court added the State of Missouri as a defendant. On April 12, 1979, the U.S. District Court found for the defendants; but the U.S. Court of Appeals, 8th Circuit, reversed that decision on March 3, 1980. The Court of Appeals determined that the Board of Education had established a segregated school system. The U.S. District Court ordered the Board of Education to develop a desegregation plan for implementation at the start of the 1980-81 school year; the plan prepared by the Board of Education was approved by the U.S. District Court on May 21, 1980. The court ordered that the State of Missouri pay a portion of the cost of the St. Louis desegregation plan. In fiscal year 1987, the amount paid for St. Louis desegregation payments was $83,473,000. The fiscal year 1988 budgeted amount for St. Louis desegregation payments is $118,700,000.

In 1977, a case was filed in the U.S. District Court, Western District of Missouri, Western Division, which alleged that the State, acting through the Kansas City and suburban school districts, had established and continued to operate a racially segregated school system in violation of the U.S. Constitution. Subsequently, the U.S. District Court ordered the State and the Kansas City School District to develop a desegregation plan and the suburban districts were dismissed from the lawsuit. The U.S. District Court, on August 19, 1985, ordered the State to pay a portion of the costs incurred in preparation and implementation of the desegregation plan which was implemented in the fall of 1985. In fiscal year 1987, the amount paid for Kansas City desegregation payments was $36,715,000. The fiscal year 1988 budgeted amount for Kansas City desegregation payments is $53,900,000.

TAX LIMITATION AMENDMENT

Article X, Sections 16-24 of the Constitution of Missouri (the "Tax Limitation Amendment"), imposes a limit on the amount of taxes which may be imposed by the General Assembly in any fiscal year. This limit is tied to total State revenues for fiscal year 1980-81, as defined in the Tax Limitation Amendment adjusted annually, in accordance with the formula set forth in the amendment which is tied to increases in the average personal income of Missouri for certain designated periods. If the revenue limit is exceeded by 1% or more in any fiscal year, the excess revenues will be refunded pro-rata based on the liability reported on the State income tax return. If the excess revenues collected is less than 1% of the revenue limit, the excess revenues shall be transferred to the General Revenue Fund. The revenue limit can be exceeded by a constitutional amendment duly adopted by the people or if the General Assembly approves by a two-thirds vote an emergency declaration by the Governor.

Because the amendment did not clearly define who was responsible for interpreting the amendment, developing the revenue limit formula, or determining the specific items that should be included in the formula, the Office of Administration, Division of Budget and Planning has assumed these responsibilities. The State Auditor conducts a special review of the Amendment and its application to State revenues each year. In calculating the revenue limit several items remain open to interpretation. The calculations for the year ended June 30, 1984 by the Division of Budget and Planning and by the State Auditor differ because of different interpretations of certain Amendment provisions. The Division calculated the revenues to be under the refund limit for the fiscal year 1984 and the State Auditor calculated a potential refund of approximately $30.5 million. The State Auditor's Office findings did not recommend issuance of a refund, but did recommend interpretation of the amendment. A judicial determination has been requested and the item is being appropriately addressed by the Attorney General and the courts.

The revenue limit was not exceeded in fiscal years 1985 and 1986. The Office of Administration has determined that the revenue limit was not exceeded in fiscal year 1987, however, the State Auditor's Office has not completed their review.

AUDIT

In recognition of the increased interest in public officials' accountability to citizens and potential investors, and because we believe an independent audit is an essential element in financial control, for the past nine successive years the State Auditor's Office has examined the State's financial statements. The independent audit is important, also, since bond raters, Moody's Investors Service and Standard & Poor's, have made it clear that the bond rating of governmental units will be adversely affected if timely, audited financial statements are not issued. The opinion letter of the auditors is included in this report.

ECONOMIC TRENDS

Steady economic growth as well as sound fiscal management have contributed to Missouri's financial stability. Missouri entered and ended fiscal year 1987 in stable financial condition. A cash-flow reserve of $130 million was established during fiscal year 1985 to meet the accepted standard of a cash-flow reserve equal to five percent of current-year budget obligations. The reserve ensures that State government meets its financial obligations in a timely and business-like manner.

Fiscal year 1987 general revenue growth was 8.7%, which was somewhat slower than projected. However, Governor Ashcroft noted the downturn in receipts early in the year and agency spending was reduced to ensure fiscal stability. In addition, vetoes and other spending reductions of fiscal year 1988 appropriations were put into place to ensure longer term financial stability.

The near term economic outlook is one of moderate real growth coupled with relatively low rates of inflation. This economic climate, along with federal tax changes should generate solid revenue growth for the State in fiscal year 1988 and beyond.

General Revenue Outlook

General revenue collections in fiscal year 1987 were $3,125.1 million, 8.7% above fiscal year 1986 collections. The Office of Administration projects fiscal year 1988 general revenue collections at $3,474.9 million, which includes $172.9 from federal tax changes. With the growth induced by federal tax changes, fiscal year 1988 revenue growth should be considerably stronger than fiscal year 1987. Due to the federal changes, fiscal year 1988 general revenue growth is expected to be led by both the individual and corporate income taxes. Lottery proceeds are expected to continue to provide an important source of revenue. The fiscal year 1988 lottery transfer to general revenue is expected to total $80 million.

As initiated in the fiscal year 1986 budget, the fiscal year 1988 budget employs a detailed balancing of resources and expenditure plans for the upcoming year and includes forecasts and analysis of major trends in the five-year overview which help highlight the future implications of decisions made in the fiscal year 1988 budget.

Education

Fiscal year 1987 brought major funding increases for both Elementary and Secondary Education and Higher Education in Missouri. The School Foundation Program, which provides basic State support for public schools, was increased by $83.5 million. In addition to financial resources, solid foundations for future educational improvement were established with further implementation of the Excellence in Education Act of 1985.

Appropriations from the Excellence in Education Fund of $20,092,000 were made for fiscal year 1987 for such programs as career ladder, teacher salary minimums, pupil and teacher testing, tuition reimbursement for teachers and incentive grants for school excellence. Matching provisions on some of these programs encouraged school districts to improve local support for education. These funds made possible a career ladder salary supplement of $1,500 for participating teachers, a minimum salary of $15,000 for all Missouri teachers, a comprehensive pupil testing program, as well as other education reform measures.

Fiscal year 1987 appropriations provided $35,043,000 in increases for public higher education institutions. This included an increase of $3,702,000 in State support for community and junior colleges. An increase of $31,341,000 for public four-year colleges and universities included formula increases and funding for targeted investments such as the "Food for the 21st Century" project at the University of Missouri-Columbia and the implementation of the mission change for Northeast Missouri State University to a statewide liberal arts institution.

Capital Improvements

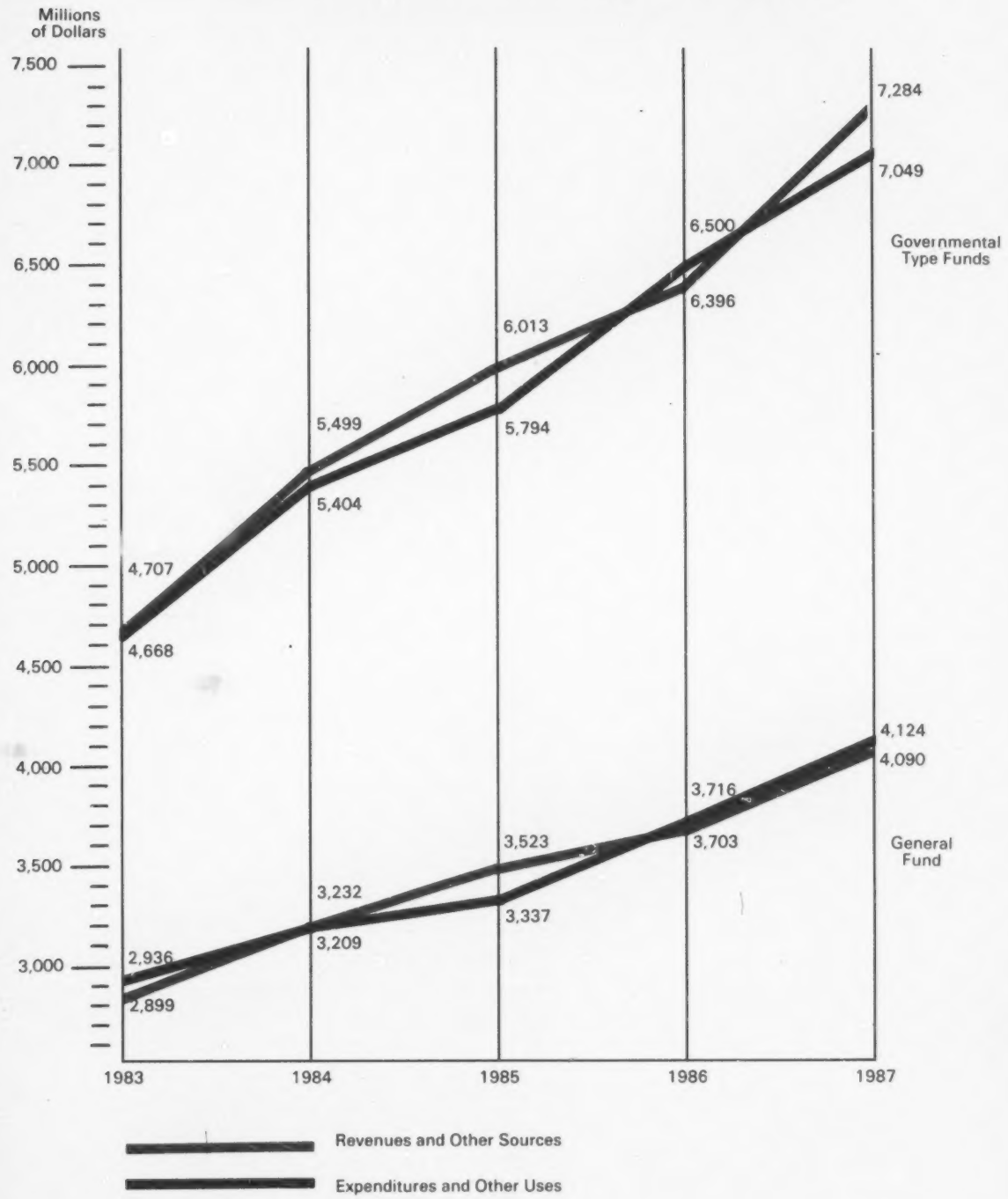
In fiscal year 1987 Missouri invested a total of $134,486,000 in its capital assets with appropriations for maintenance and construction projects throughout the State. This investment included $63,420,000 from General Revenue; $11,539,000 from Federal Funds; and $59,527,000 from Other Funds.

Fiscal year 1987 capital appropriations include:

- $27.3 million for construction and maintenance projects at our universities and colleges.
- $6.7 million for renovations and maintenance projects at prison facilities.
- $9.3 million for maintenance, renovation and construction projects at our State parks.
- $4.5 million for renovation and maintenance of mental health facilities.

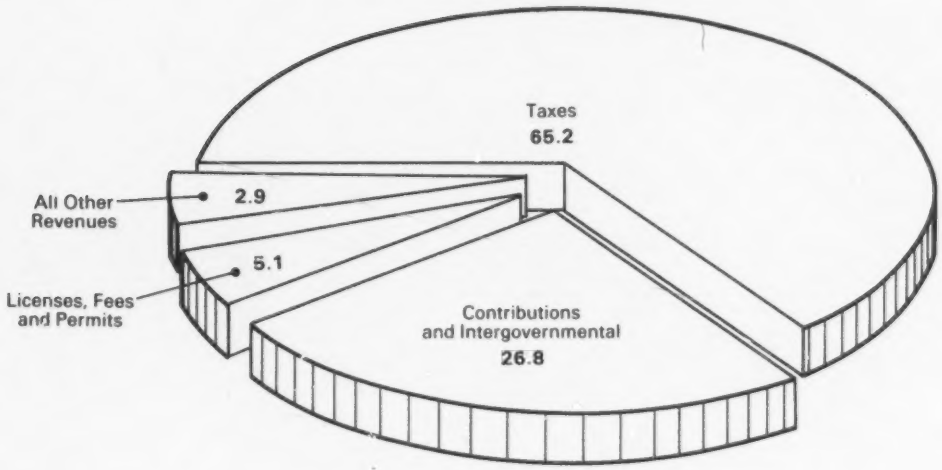
STATE OF MISSOURI
COMPARISON OF REVENUES AND OTHER FINANCING SOURCES AND EXPENDITURES AND OTHER FINANCING USES OF THE GENERAL FUND TO ALL GOVERNMENTAL TYPE FUNDS

For the Fiscal Years Ended June 30, 1983 Through 1987

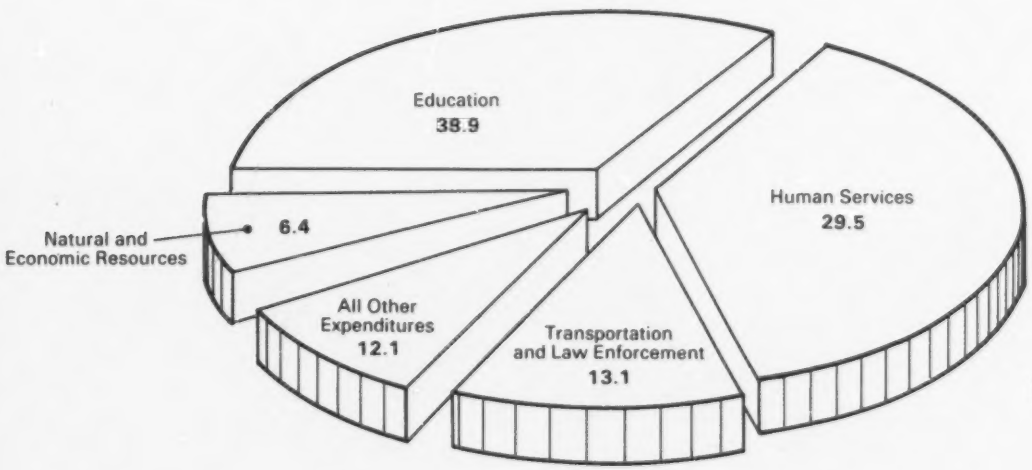


STATE OF MISSOURI
GOVERNMENTAL TYPE FUNDS
For the Fiscal Year Ended June 30, 1987

REVENUES BY SOURCE

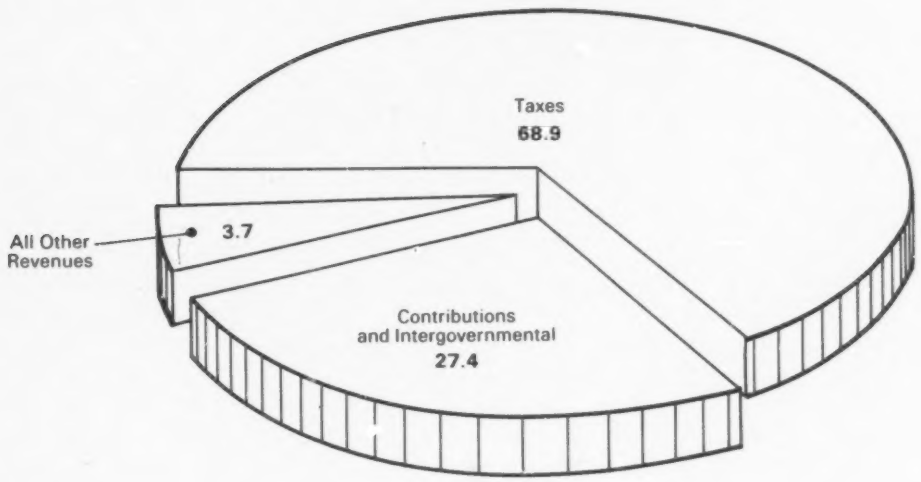


EXPENDITURES BY FUNCTION

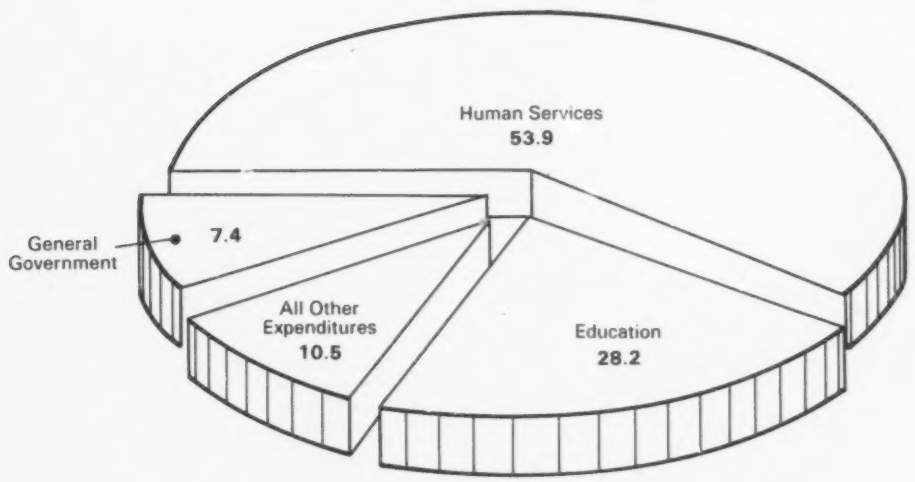


STATE OF MISSOURI
GENERAL FUND
For the Fiscal Year Ended June 30, 1987

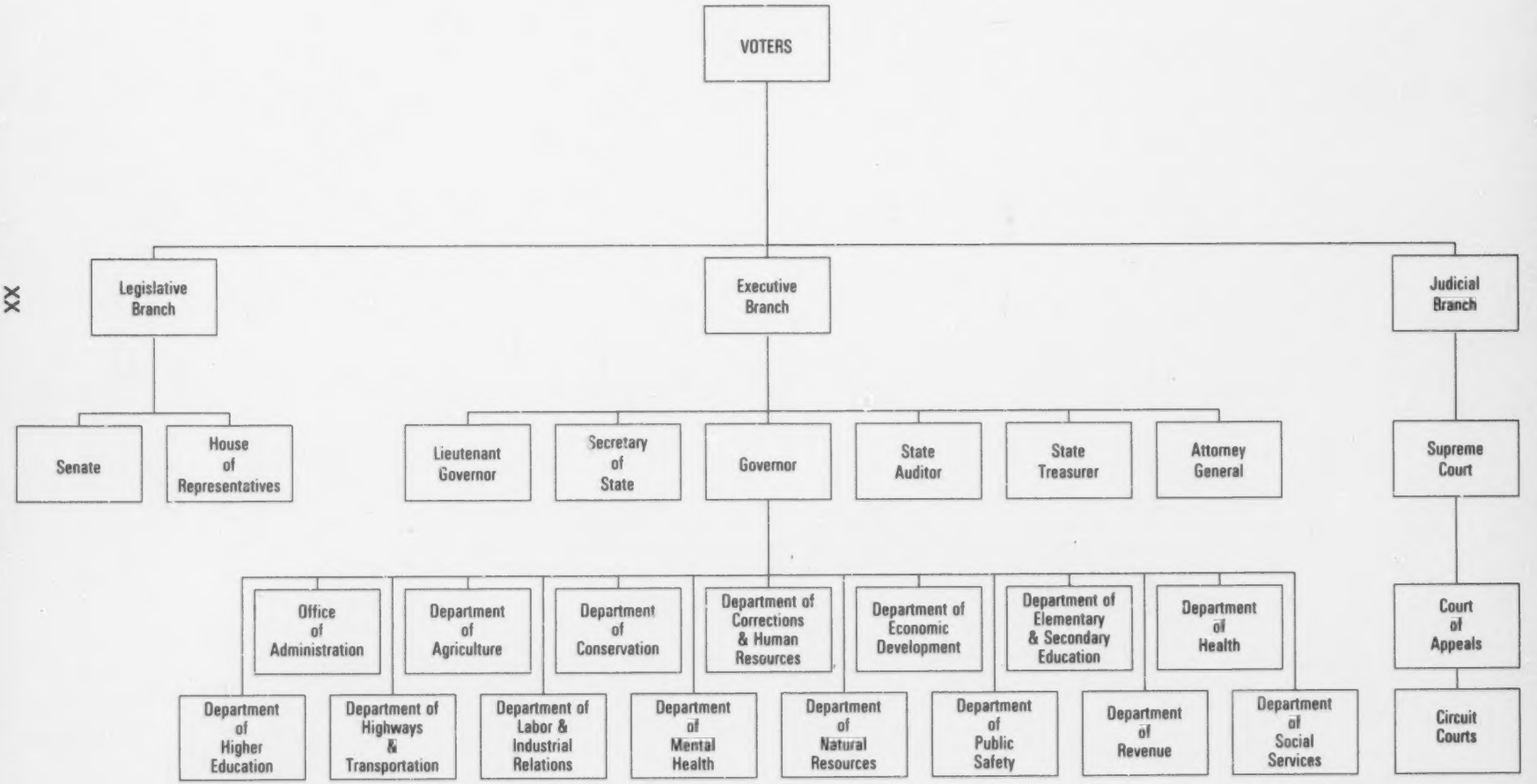
REVENUES BY SOURCE



EXPENDITURES BY FUNCTION



STATE OF MISSOURI
ORGANIZATION CHART
June 30, 1987



STATE OF MISSOURI
PRINCIPAL STATE OFFICIALS
June 30, 1987

EXECUTIVE

John Ashcroft
Governor

Harriett Woods
Lieutenant Governor

Roy D. Blunt
Secretary of State

Margaret Kelly, C.P.A.
State Auditor

Wendell Bailey
State Treasurer

William L. Webster
Attorney General

LEGISLATIVE

John E. Scott
President Pro Tem of the Senate

Bob F. Griffin
Speaker of the House of Representatives

JUDICIAL

William H. Billings
Chief Justice of the Supreme Court

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The Financial Section includes combined and individual financial statements for the various funds of the State of Missouri.

STATE AUDITOR OF MISSOURI
JEFFERSON CITY, MISSOURI 65102

MARGARET KELLY, CPA
STATE AUDITOR

(314) 751-4824

Honorable John D. Ashcroft, Governor
and
Members of the General Assembly

We have examined the general purpose financial statements, identified in the table of contents, of the state of Missouri for the year ended June 30, 1987. Except as explained in the following five paragraphs, our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

We were allowed only limited access to tax returns and related source documents for income taxes. Access was limited by the Director of Revenue based on his interpretation of the decision rendered by the Missouri Supreme Court in the case of Director of Revenue v. State Auditor, 511 SW2d 779 (Mo. 1974). The general fund, through the General Revenue Fund, receives approximately 42 percent of its revenues from this source. We were unable to satisfy ourselves by appropriate audit procedures as to the income tax revenue of this fund beyond the amounts recorded as received.

We did not examine the financial statements of the funds comprising the debt service fund, which statements reflect total assets constituting one percent of the related combined total for all fund types and account groups. These statements were examined by other auditors whose report thereon has been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included for the debt service fund, is based solely upon the report of other auditors.

We did not examine the financial statements of the Missouri Housing Development Commission, the Missouri Higher Education Loan Authority, the State Environmental Improvement and Energy Resources Authority, the Missouri Health and Educational Facilities Authority, the Agriculture and Small Business Development Authority, and the Missouri Lottery, which statements reflect total assets and operating revenues constituting 92 percent and 84 percent, respectively, of the related combined totals of the enterprise fund. These statements were examined by other auditors whose reports thereon have been

furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included for the Missouri Housing Development Commission, the Missouri Higher Education Loan Authority, the State Environmental Improvement and Energy Resources Authority, the Missouri Health and Educational Facilities Authority, the Agriculture and Small Business Development Authority, and the Missouri Lottery, is based solely upon the reports of other auditors.

We did not examine the financial statements of the colleges and universities, which statements reflect total assets constituting 21 percent of the related combined total for all fund types and account groups. These statements were examined by other auditors whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included for the colleges and universities, is based solely upon the reports of other auditors.

We did not examine the balance sheet of the Deferred Compensation Plan, which statement reflects total assets constituting four percent of the related combined total of the agency and trust fund. This statement was examined by other auditors whose report thereon has been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included for the Deferred Compensation Plan, is based solely upon the report of other auditors.

As noted in paragraph 4 above, the Missouri Lottery was audited by other auditors. Their report contains an explanatory paragraph concerning the continued operations of the Missouri Lottery as more fully discussed in Note 17 to the financial statements.

In our opinion, based upon our examination and the reports of other auditors and except for the effects of the matter discussed in paragraph two, the aforementioned general purpose financial statements present fairly the financial position of the state of Missouri at June 30, 1987, and the results of its operations and the changes in financial position of its proprietary fund types and similar trust funds for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Our examination was made for the purpose of forming an opinion on the general purpose financial statements. The combining and individual fund statements and schedules, identified in the table of contents, as well as the "Totals (Memorandum Only)" column on the general purpose financial statements are not required for a fair presentation of the general purpose financial statements, but are presented as additional analytical data. This information has been subjected to the tests and other auditing procedures applied in the examination of the general purpose financial statements referred to above and, in our opinion, except for the effects of the matter discussed in paragraph two, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

The Statistical Section, identified in the table of contents, was not audited by us, and accordingly, we express no opinion on it.

Margaret Kelly

Margaret Kelly, CPA
State Auditor

December 4, 1987

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The Combined Statements provide a summary overview of the financial position of all fund types and account groups and of the operating results by fund type. Also, they serve as an introduction to the more detailed statements and schedules that follow.

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STATE OF MISSOURI
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
June 30, 1987
(In Thousands of Dollars)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
ASSETS				
Cash and Cash Equivalents (Note 2)	$442,349	$302,622	$72,669	$294,836
Investments (Note 2)	---	---	---	---
Receivables	147,840	42,951	1,081	35,871
Due from Other Funds (Note 10)	22,382	704	80	15,645
Inventory and Prepaid Items	10,423	1,755	---	31,428
Deferred Charges	---	---	---	---
Loans Receivable	---	---	---	---
Restricted Assets (Note 2)	---	---	---	---
Fixed Assets (Note 3)	---	---	---	---
Accumulated Depreciation (Note 3)	---	---	---	---
Amount Available in Debt Service Funds	---	---	---	---
Amount to be Provided for Retirement of General Long-Term Debt	---	---	---	---
Total Assets	$622,994	$348,032	$73,830	$377,780
LIABILITIES AND FUND EQUITY				
Liabilities:				
Cash Overdraft	$ ---	$ ---	$ ---	$ ---
Payables	229,530	39,507	---	69,393
Due to Other Funds (Note 10)	13,713	20,968	---	684
Deferred Revenue	92,643	65,836	370	668
Matured Bonds and Interest Payable	---	---	1,061	---
Payable From Restricted Assets	---	---	---	---
Bond and Notes Payable (Note 8)	---	---	---	---
Obligations Under Lease/Purchases (Note 4)	---	---	---	---
Compensated Absences/Pension Benefits	---	---	---	---
Total Liabilities	335,886	126,311	1,431	70,745
Fund Equity:				
Contributed Capital	---	---	---	---
Investment in Fixed Assets	---	---	---	---
Retained Earnings:				
Reserved for Revenue Bonds	---	---	---	---
Reserved for Education	---	---	---	---
Unreserved	---	---	---	---
Fund Balance:				
Reserved for Encumbrances	935	454	---	81,903
Reserved for Inventory	10,423	1,755	---	31,428
Reserved for Future Distribution	52,821	---	---	---
Reserved for Cash Operations	148,516	---	---	---
Reserved for Taxes	27,982	---	---	---
Reserved for Debt Service	---	---	72,399	---
Reserved for Retirement System (Note 5)	---	---	---	---
Reserved for Insurance Benefits	---	---	---	---
Reserved for Loans Receivable	---	---	---	---
Reserved for Unclaimed Properties	---	---	---	---
Reserved for Colleges and Universities	---	---	---	---
Unreserved:				
Designated for Encumbrances	38,673	17,612	---	35,618
Undesignated	7,758	201,900	---	158,086
Total Equity	287,108	221,721	72,399	307,035
Total Liabilities and Fund Equity	$622,994	$348,032	$73,830	$377,780

Proprietary Fund Types		Fiduciary Fund Type	Account Groups			Totals (Memorandum Only)	
Enterprise	Internal Service	Agency and Trust	General Fixed Assets	General Long-Term Debt	College and University	June 30, 1987	June 30, 1986
$ 153,712	$ 8,178	$ 429,751	$ ---	$ ---	$ 211,632	$ 1,915,749	$ 1,604,902
---	---	1,634,122	---	---	576,600	2,210,722	1,886,271
24,052	5,385	54,559	---	---	240,300	552,039	597,176
41	---	30,422	---	---	2,237	71,511	61,873
1,333	2,927	2	---	---	22,498	70,366	69,934
4,099	---	---	---	---	708	4,807	3,766
1,955,997	---	2,041	---	---	---	1,958,038	2,068,120
806,777	---	---	---	---	---	806,777	883,925
223,707	7,854	2,103	1,117,765	---	1,455,373	2,806,802	2,684,495
(25,203)	(4,377)	(314)	---	---	---	(29,894)	(23,764)
---	---	---	---	72,399	---	72,399	52,671
---	---	---	---	1,235,426	---	1,235,426	769,027
$3,144,515	$ 19,967	$2,152,686	$1,117,765	$1,307,825	$ 2,509,348	$11,674,742	$10,658,396
$ ---	$ ---	$ 8,580	$ ---	$ ---	$ 1,045	$ 9,625	$ 5,500
11,882	2,126	254,101	---	16,024	74,905	697,468	681,285
21,135	90	12,684	---	---	2,237	71,511	61,873
1,335	1	1,674	---	---	22,267	184,794	196,150
---	---	---	---	---	1,173	2,234	2,581
237,498	---	---	---	---	5,608	243,106	138,221
2,383,071	---	---	---	686,525	145,125	3,214,721	2,921,318
5	---	---	---	60,122	17,659	77,786	16,075
584	359	101	---	545,154	---	546,198	495,555
2,655,510	2,576	277,140	---	1,307,825	270,019	5,047,443	4,518,558
37,609	4,011	---	---	---	---	41,620	41,336
---	---	---	1,117,765	---	1,291,840	2,409,605	2,362,270
321,345	---	---	---	---	---	321,345	461,411
23,000	---	---	---	---	---	23,000	---
107,051	13,380	---	---	---	---	120,431	161,442
---	---	---	---	---	---	83,292	11,393
---	---	1	---	---	---	43,607	42,194
---	---	---	---	---	---	52,821	49,400
---	---	---	---	---	---	148,516	139,275
---	---	---	---	---	---	27,982	23,532
---	---	---	---	---	---	72,399	52,671
---	---	1,490,693	---	---	---	1,490,693	1,262,958
---	---	9,654	---	---	---	9,654	11,074
---	---	2,041	---	---	---	2,041	2,385
---	---	1,008	---	---	---	1,008	358
---	---	---	---	---	808,996	808,996	731,176
---	---	376	---	---	---	92,279	28,335
---	---	371,773	---	---	138,493	878,010	758,628
489,005	17,391	1,875,546	1,117,765	---	2,239,329	6,627,299	6,139,838
$3,144,515	$ 19,967	$2,152,686	$1,117,765	$1,307,825	$ 2,509,348	$11,674,742	$10,658,396

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
For the Fiscal Year Ended June 30, 1987
(In Thousands of Dollars)

	Governmental Fund Types				Fiduciary Fund Type	Totals (Memorandum Only)	
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	June 30, 1987	June 30, 1986
Revenues:							
Taxes	$ 2,709,796	$ 876,450	$ ---	$ ---	$ ---	$ 3,586,246	$ 3,337,740
Licenses, Fees and Permits	44,111	238,149	---	916	105	283,281	271,778
Sales	3,532	6,379	---	2,269	---	12,180	15,084
Leases and Rentals	470	136	---	420	2	1,028	1,069
Services	56,169	---	---	---	41	56,210	47,375
Contributions and Intergovernmental	1,077,322	97,387	---	300,486	275,205	1,750,400	1,764,369
Interest, Penalties and Unclaimed Properties	29,986	21,280	4,110	20,341	28,972	104,689	111,579
Miscellaneous Revenues	9,090	897	---	1,975	257	12,219	12,198
Total Revenues	3,930,476	1,240,678	4,110	326,407	304,582	5,806,253	5,561,192
Expenditures:							
Current:							
General Government	234,020	103,172	---	1,936	1,472	340,600	283,089
Education	888,949	1,368,449	---	176	176	2,257,750	2,078,848
Natural and Economic Resources	165,379	162,154	---	43,713	405	371,651	278,985
Transportation and Law Enforcement	37,759	152,570	---	567,466	---	757,795	849,691
Human Services	1,697,992	12,506	---	193	244,728	1,955,419	1,829,412
Capital Outlay:							
Current Expenditures	71,382	46,611	---	143,734	311	262,038	192,695
Capital Lease Purchases	54,241	341	---	---	---	54,582	---
Debt Service:							
Principal	---	---	7,395	---	---	7,395	6,595
Interest	---	---	41,470	---	---	41,470	26,105
Total Expenditures	3,149,722	1,845,803	48,865	757,218	247,092	6,048,700	5,545,420
Excess Revenues (Expenditures)	780,754	(605,125)	(44,755)	(430,811)	57,490	(242,447)	15,772
Other Financing Sources (Uses):							
Proceeds of General Obligation Bonds	---	---	---	381,158	---	381,158	---
Proceeds from Capital Leases	54,241	341	---	---	---	54,582	---
Operating Transfers In	105,082	910,137	64,483	266,617	150	1,346,469	1,191,367
Operating Transfers Out	(974,225)	(272,255)	---	(1,000)	(4,212)	(1,251,692)	(1,181,845)
Total Other Financing Sources (Uses)	(814,902)	638,223	64,483	646,775	(4,062)	530,517	9,522
Excess Revenues and Other Sources (Expenditures and Other Uses)	(34,148)	33,098	19,728	215,964	53,428	288,070	25,294
Fund Balances - Beginning (Note 11)	320,679	188,398	52,671	90,459	311,905	964,112	935,680
Increase (Decrease) in Loans Receivable and Reserve for Inventory	577	225	---	612	(345)	1,069	3,138
Fund Balances - Ending	$ 287,108	$ 221,721	$ 72,399	$ 307,035	$ 364,988	$ 1,253,251	$ 964,112

The notes to the financial statements are an integral part of this statement.

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STATE OF MISSOURI
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
GENERAL, BUDGETED SPECIAL REVENUE, ALL DEBT SERVICE AND BUDGETED CAPITAL PROJECTS FUNDS
For the Fiscal Year Ended June 30, 1987
(In Thousands of Dollars)

	General			Budgeted Special Revenue		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Taxes	$ 2,974,795	$ 2,971,062	$ (3,733)	$ 575,444	$ 578,904	$ 3,460
Licenses, Fees and Permits	48,840	44,037	(4,803)	163,289	162,924	(365)
Sales	2,960	3,545	585	5,895	6,634	739
Leases and Rentals	---	470	470	150	137	(13)
Services	59,200	53,429	(5,771)	---	---	---
Contributions and Intergovernmental	1,244,046	1,072,328	(171,718)	48,227	32,954	(15,273)
Interest, Penalties and Unclaimed Properties	28,085	30,359	2,274	13,983	12,960	(1,023)
Miscellaneous Revenues	21,445	51,476	30,031	4,053	3,068	(985)
Total Revenues	4,379,371	4,226,706	(152,665)	811,041	797,581	(13,460)
Expenditures:						
Current:						
General Government	693,828	649,654	44,174	43,471	42,603	868
Education	775,037	726,855	48,182	1,410,896	1,368,859	42,037
Natural and Economic Resources	239,710	158,070	81,640	132,185	97,963	34,222
Transportation and Law Enforcement	49,882	37,241	12,641	123,526	118,882	4,644
Human Services	1,706,388	1,644,570	61,818	10,845	10,770	75
Capital Outlay	156,160	32,220	123,940	53,765	27,551	26,214
Debt Service	---	---	---	---	---	---
Total Expenditures	3,621,005	3,248,610	372,395	1,774,688	1,666,628	108,060
Excess Revenues (Expenditures)	758,366	978,096	219,730	(963,647)	(869,047)	94,600
Other Financing Sources (Uses):						
Operating Transfers In	117,881	89,279	(28,602)	1,069,957	1,063,973	(5,984)
Operating Transfers Out	(1,110,645)	(1,119,046)	(8,401)	(29,402)	(172,349)	(142,947)
Total Other Financing Sources (Uses)	(992,764)	(1,029,767)	(37,003)	1,040,555	891,624	(148,931)
Excess Revenues and Other Sources (Expenditures and Other Uses)	(234,398)	(51,671)	182,727	76,908	22,577	(54,331)
Fund Balances - Beginning	337,509	337,509	---	169,534	169,534	---
Fund Balances - Ending	$ 103,111	$ 285,838	$ 182,727	$ 246,442	$ 192,111	$ (54,331)

Debt Service			Budgeted Capital Projects		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
$ ---	$ ---	$ ---	$ ---	$ ---	$ ---
---	---	---	936	916	(20)
---	---	---	2,185	2,269	84
---	---	---	312	420	108
---	---	---	---	---	---
---	---	---	297,767	302,051	4,284
---	3,607	3,607	2,497	2,398	(99)
---	---	---	8,427	8,537	110
---	3,607	3,607	312,124	316,591	4,467
---	---	---	---	---	---
---	---	---	---	---	---
---	---	---	---	---	---
---	---	---	---	---	---
---	---	---	---	---	---
---	---	---	---	---	---
---	---	---	601,000	579,634	21,366
49,695	48,865	830	---	---	---
49,695	48,865	830	601,000	579,634	21,366
(49,695)	(45,258)	4,437	(288,876)	(263,043)	25,833
70,952	64,484	(6,468)	99,312	266,617	167,305
---	---	---	(10,335)	(8,721)	1,614
70,952	64,484	(6,468)	88,977	257,896	168,919
21,257	19,226	(2,031)	(199,899)	(5,147)	194,752
52,381	52,381	---	19,870	19,870	---
$ 73,638	$ 71,607	$ (2,031)	$ (180,029)	$ 14,723	$ 194,752

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS/FUND BALANCES
ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
For the Fiscal Year Ended June 30, 1987
(In Thousands of Dollars)

	Proprietary Fund Types		Fiduciary Fund Types		Totals (Memorandum Only)	
	Enterprise	Internal Service	Non-Expendable Trust	Pension and Insurance Trust	June 30, 1987	June 30, 1986
Operating Revenues:						
Licenses, Fees and Permits	$ 7,868	$ 15	$ ---	$ ---	$ 7,883	$ 8,019
Sales	175,591	11,003	---	---	186,594	219,243
Leases and Rentals	30,209	131	---	---	30,340	18,280
Services	18,206	21,725	---	---	39,931	38,765
Contributions and Intergovernmental	---	---	---	192,673	192,673	176,595
Interest, Penalties and Unclaimed Properties	110,607	---	40	70,175	180,822	180,632
Net Gain on Sale of Investments	---	---	---	137,833	137,833	81,331
Miscellaneous Revenues	111	1,194	---	8,431	9,736	6,630
Total Operating Revenues	342,592	34,068	40	409,112	785,812	729,495
Operating Expenses:						
Personal Services	23,126	6,571	---	1,038	30,735	25,973
Operations	126,034	22,699	60	9,518	158,311	170,033
Inventories	4,610	723	---	---	5,333	5,473
Specific Programs	---	---	---	121,980	121,980	107,564
Interest	98,531	---	---	---	98,531	94,938
Depreciation	4,377	720	---	113	5,210	4,838
Miscellaneous Expenses	2,161	187	---	---	2,348	410
Total Operating Expenses	258,839	30,900	60	132,649	422,448	409,229
Operating Income (Loss)	83,753	3,168	(20)	276,463	363,364	320,266
Non-Operating Revenues (Expenses):						
Contributions and Intergovernmental	4,291	---	1	---	4,292	4,116
Interest	8,729	---	---	---	8,729	8,515
Increase in Unrealized Appreciation of Investments	---	---	---	(50,148)	(50,148)	115,440
Interest on Debt	(12,406)	---	---	---	(12,406)	(13,148)
Increase (Decrease) in Reserve Accounts	(154,656)	---	---	---	(154,656)	180,252
Miscellaneous Revenues (Expenses)	298	---	---	---	298	141
Total Non-Operating Revenues (Expenses)	(153,744)	---	1	(50,148)	(203,891)	295,316
Income (Loss) Before Operating Transfers	(69,991)	3,168	(19)	226,315	159,473	615,582
Operating Transfers:						
Operating Transfers In	1,000	---	466	---	1,466	482
Operating Transfers Out	(96,212)	(31)	---	---	(96,243)	(10,004)
Net Operating Transfers	(95,212)	(31)	466	---	(94,777)	(9,522)
Net Income (Loss) Before Extraordinary Item	(165,203)	3,137	447	226,315	64,696	606,060
Extraordinary Item - Payment to Escrow Agent	---	---	---	---	---	(10,287)
Net Income (Loss)	(165,203)	3,137	447	226,315	64,696	595,773
Retained Earnings/Fund Balances - Beginning (Note 11)	612,756	10,097	9,768	1,274,032	1,906,653	1,310,880
Prior Period Adjustments (Note 12)	3,843	146	(4)	---	3,985	---
Retained Earnings/Fund Balances - Ending	$ 451,396	$ 13,380	$ 10,211	$ 1,500,347	$1,975,334	$1,906,653

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION
ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
For the Fiscal Year Ended June 30, 1987
(In Thousands of Dollars)

	Proprietary Fund Types		Fiduciary Fund Types		Totals (Memorandum Only)	
	Enterprise	Internal Service	Non-Expendable Trust	Pension and Insurance Trust	June 30, 1987	June 30, 1986
Sources of Working Capital						
Operations:						
Net Income (Loss) Before Extraordinary Item	$ (165,203)	$ 3,137	$ 447	$ 226,315	$ 64,696	$ 606,060
Items not Requiring Working Capital - Depreciation	4,377	720	---	113	5,210	4,838
Working Capital Provided by Operations Before Extraordinary Item	(160,826)	3,857	447	226,428	69,906	610,898
Extraordinary Item - Payment of Escrow Agent	---	---	---	---	---	(10,287)
Net Income (Loss)	(160,826)	3,857	447	226,428	69,906	600,611
Decrease in Long-Term Assets	37,336	---	---	---	37,336	---
Decrease in Restricted Assets	263,935	---	---	---	263,935	---
Disposition of Fixed Assets	---	---	---	8	8	148
Increase in Contributed Capital	284	---	---	---	284	257
Increase in Long-Term Liabilities	---	29	---	42	71	622,103
Total Sources of Working Capital	140,729	3,886	447	226,478	371,540	1,223,119
Uses of Working Capital						
Acquisition of Property, Plant and Equipment	34,162	1,215	---	1,511	36,888	56,279
Gain on Sale of Fixed Assets	2	---	---	---	2	---
Increase in Long-Term Assets	---	---	267	211,233	211,500	788,055
Increase in Restricted Assets	---	---	---	---	---	225,073
Decrease in Payables From Restricted Assets	26,535	---	---	---	26,535	113,518
Decrease in Long-Term Liabilities	100,498	---	---	---	100,498	15
Payments on Portion of Long-Term Capital Lease	---	---	---	---	---	19
Total Uses of Working Capital	161,197	1,215	267	212,744	375,423	1,182,959
Net Increase (Decrease) in Working Capital	$ (20,468)	$ 2,671	$ 180	$ 13,734	$ (3,883)	$ 40,160
Elements of Net Increase (Decrease) in Working Capital						
Cash and Cash Equivalents	$ (10,469)	$ 3,657	$ (114)	$ (99)	$ (7,025)	$ 95,449
Receivables	1,185	(1,089)	1	15,430	15,527	14,051
Due from Other Funds	(22)	---	293	787	1,058	2,125
Inventory and Prepaid Items	(568)	(157)	---	(18)	(743)	790
Cash Overdraft	---	---	---	(3,082)	(3,082)	(612)
Payables	4,070	266	---	978	5,314	(66,740)
Due to Other Funds	(13,889)	(9)	---	---	(13,898)	(6,796)
Deferred Revenue	(775)	3	---	(262)	(1,034)	1,893
Net Increase (Decrease) in Working Capital	$ (20,468)	$ 2,671	$ 180	$ 13,734	$ (3,883)	$ 40,160

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND EQUITY
ALL COLLEGE AND UNIVERSITY FUNDS
For the Fiscal Year Ended June 30, 1987
(In Thousands of Dollars)

	Current			Endowment and Similar	Retirement and Similar
	Unrestricted	Restricted	Loan		
Revenues and Other Additions:					
Tuition and Fees	$ 167,326	$ ---	$ ---	$ ---	$ ---
Federal Appropriations, Grants and Contracts	13,357	55,321	766	---	---
State Appropriations, Grants and Contracts	390,504	15,273	---	---	---
Private Gifts, Grants and Contracts	2,803	26,546	319	7,090	---
Recovery of Indirect Costs	7,053	---	---	---	---
Sales and Services:					
Educational Activities	44,717	---	---	---	---
Auxiliary Enterprises	97,720	---	---	---	---
Hospital and Clinics	92,005	---	---	---	---
Investment Income	6,309	120	627	217	26,738
Endowment Income	1,892	4,344	115	1,478	---
Other Sources and Additions	12,965	282	1,901	12,160	114,337
Total Revenues	836,651	101,886	3,728	20,945	141,075
Expenditures and Other Deductions:					
Instruction	287,510	11,731	---	---	---
Research	37,733	35,162	---	---	---
Public Service	33,665	17,359	---	---	---
Academic Support	67,642	3,134	---	---	---
Student Services	43,292	2,495	---	---	---
Institutional Support	54,480	913	---	---	---
Operation and Maintenance of Plant	57,252	2,201	---	---	---
Scholarships and Fellowship	19,274	28,212	---	---	---
Auxiliary Enterprises	90,584	146	---	---	---
Hospital and Clinics	97,613	216	---	---	---
Interest Payments	---	---	---	---	---
Other Uses and Deductions	375	59	2,152	1,314	49,817
Total Expenditures	789,420	101,628	2,152	1,314	49,817
Excess Revenue (Expenditure)	47,231	258	1,576	19,631	91,258
Transfers and Other Additions (Deductions)					
Mandatory Transfers:					
Matching Grants	(96)	---	(111)	---	---
Retirement of Debt	(14,759)	(228)	---	---	---
Renewals and Replacements	(210)	---	---	---	---
Other	(1,576)	(60)	---	273	---
Non-Mandatory Transfers	(30,809)	(213)	(1,303)	417	4,452
Total Transfers	(47,450)	(501)	(1,414)	690	4,452
Excess of Restricted Receipts Over Transfers to Revenues	---	3,890	---	---	---
Other	---	160	---	---	---
Total Transfers and Other Additions	(47,450)	3,549	(1,414)	690	4,452
Net Increase (Decrease) in Fund Balance	(219)	3,807	162	20,321	95,710
Fund Balances - Beginning (Note 11)	85,506	20,224	61,443	94,650	398,535
Prior Period Adjustments (Note 12)	---	---	---	---	---
Fund Balances - Ending	$ 85,287	$ 24,031	$61,605	$ 114,971	$ 494,245

Plant					Totals	
Unexpended	Renewals and Replacements	Retirement of Indebtedness	Investment in Plant	Elimination	June 30, 1987	June 30, 1986
$ ---	$ 80	$ 411	$ ---	$ ---	$ 167,817	$ 154,664
---	1,164	77	---	---	70,685	71,244
20,443	3,918	---	---	---	430,138	557,907
5,054	66	2	9,117	---	50,997	39,885
---	---	---	657	---	7,710	6,495
---	---	---	---	---	44,717	38,538
---	---	---	---	---	97,720	89,598
---	---	---	---	---	92,005	83,298
1,152	545	1,171	---	---	36,879	37,129
---	---	---	---	---	7,829	7,730
21,258	1,120	461	121,875	(102,217)	184,142	130,102
47,907	6,893	2,122	131,649	(102,217)	1,190,639	1,216,590
---	---	---	---	---	299,241	285,522
---	---	---	---	---	72,895	68,691
---	---	---	---	---	51,024	45,409
---	---	---	---	---	70,776	76,474
---	---	---	---	---	45,787	43,150
---	---	---	---	---	55,393	53,369
---	---	---	---	---	59,453	54,072
---	---	---	---	---	47,486	48,640
---	---	---	---	---	90,730	85,420
---	---	---	---	---	97,829	89,179
---	---	8,541	172	---	8,713	7,493
89,698	26,588	12,786	25,308	(102,217)	105,880	76,470
89,698	26,588	21,327	25,480	(102,217)	1,005,207	933,889
(41,791)	(19,695)	(19,205)	106,169	---	185,432	282,701
---	---	627	---	---	420	(126)
(2,245)	(2,694)	19,248	---	---	(678)	299
---	260	---	---	---	50	(299)
---	40	503	---	---	(820)	127
6,366	18,131	2,691	1,209	---	941	(1,571)
4,121	15,737	23,069	1,209	---	(87)	(1,570)
---	---	---	---	---	3,890	2,240
---	---	---	---	---	160	---
4,121	15,737	23,069	1,209	---	3,963	670
(37,670)	(3,958)	3,864	107,378	---	189,395	283,371
143,966	39,309	21,839	1,048,908	---	1,914,380	1,631,009
---	---	---	135,554	---	135,554	---
$ 106,296	$ 35,351	$ 25,703	$1,291,840	$ ---	$2,239,329	$1,914,380

The notes to the financial statements are an integral part of this statement.

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The Notes to the Financial Statements provide a summary of significant accounting policies and other disclosures required for a fair presentation of the basic financial statements.

Note 1 - Significant Accounting Policies

A. Financial Statements and Reporting Entity

The accompanying financial statements of the State of Missouri have been prepared in conformity with generally accepted accounting principles as prescribed by the National Council on Governmental Accounting and accepted by the Governmental Accounting Standards Board. The financial statements of the College and University Funds have been prepared in conformity with generally accepted accounting principles as prescribed by the National Association of College and University Business Officers.

The financial statements include the departments, agencies, authorities, commissions and other organizational units that are controlled by or dependent on the State as presented in Statement 3, "Defining the Governmental Reporting Entity" issued by the National Council on Governmental Accounting. This determination was based on the following oversight criteria: selection of governing authority, designation of management, ability to significantly influence operations, accountability for fiscal matters, scope of public service and financial relationship.

Based on the above criteria, in addition to the Legislative, Executive and Judicial agencies, the following organizations are included in the State's annual financial report:

Board of Public Buildings - This board was created by State law and its governing body is made up of the Governor, the Attorney General and the Lieutenant Governor. Its purpose is to provide State buildings by issuing revenue bonds and to supervise the operations of these facilities. All construction contracts must be approved by the State's Division of Design and Construction and its projects must be approved by the General Assembly. The board can require State agencies to occupy its projects and to pay their share of costs from State appropriations for the operation and maintenance of these buildings and for the retirement of these bonds. Copies of the Board of Public Buildings' financial statements can be requested from:

Office of Administration
Division of Accounting
P.O. Box 809
Jefferson City, Missouri 65102

Housing Development Commission - This commission was created by State law and for administrative purposes is assigned to the Department of Economic Development. The commission is authorized to make or purchase mortgage loans and to insure mortgage loans, the funds of which are used to develop

Note 1 - Significant Accounting Policies (cont.)

new or rehabilitated low and moderate income housing. The commission is also authorized to issue bonds and notes for making or purchasing such loans. Its employees are covered by the State merit system and the State retirement plan. Its governing body is made up of the Governor, the State Treasurer and the Attorney General and six members appointed by the Governor with the advice and consent of the Senate. If for any reason the commission ceases to exist, its rights and properties shall pass to and be vested in the State, subject to the rights of lienholders and other creditors. Copies of the commission's financial statements can be requested from:

Missouri Housing Development
Commission
3770 Broadway
Kansas City, Missouri 64111

Higher Education Loan Authority - This authority was created by State law and is assigned to the Department of Higher Education. It is authorized to issue debt to carry out its purpose, which is to provide a secondary market for loans made under the insured student loan program provided by the Higher Education Act. Its governing body consists of five members appointed by the Governor with the advice and consent of the Senate, one member of the Coordinating Board of Higher Education and the Commissioner of Higher Education. Copies of the authority's financial statements can be requested from:

Missouri Higher Education
Loan Authority
1215 Fern Ridge Parkway
Suite 208
St. Louis, Missouri 63141

State Environmental Improvement and Energy Resources Authority - This authority was created by State law and is assigned to the Department of Natural Resources. Its governing body consists of five members appointed by the Governor with the advice and consent of the Senate. It is authorized to finance, acquire, construct and equip projects for the purpose of reducing, preventing or controlling pollution and to provide for the development of energy resources of the State. Its employees are covered under the State retirement plan. Upon termination or dissolution of the authority, all rights and properties shall pass to and be vested in the State subject to the rights of noteholders, bondholders and other creditors. Copies of the authority's financial statements can be requested from:

Note 1 - Significant Accounting Policies (cont.)

State Environmental Improvement
and Energy Resources Authority
Jefferson Building, 12th Floor
P.O. Box 744
Jefferson City, Missouri 65102

Industrial Development Board - This board was created by State law to promote economic development of this State. The Governor, with the approval of the Senate, appoints nine board members. The Department of Economic Development or the Department of Highways and Transportation must approve all development plans prior to submission to the board members. In addition, these same departments administer any debt or loan security agreement between the board and other parties. Copies of the board's financial information can be requested from:

Department of Economic Development
Finance Program
Harry S Truman State Office Building,
Room 770
Jefferson City, Missouri 65101

Health and Educational Facilities Authority - This authority was created by State law and is assigned to the Department of Economic Development. It is authorized to issue revenue bonds to finance health and educational facilities for not-for-profit institutions within the State. Also, the authority assists not-for-profit institutions in borrowing funds at the lowest possible cost in order to provide quality medical and educational services to State residents. Its governing body consists of seven members appointed by the Governor with the advice and consent of the Senate. The authority's fiscal year ends December 31, therefore, financial statements for its reporting period ending December 31, 1986 have been included in this report. Copies of the authority's financial statements can be requested from:

Missouri Health and Educational
Facilities Authority
515 Olive Street, Suite 404
St. Louis, Missouri 63101

Agriculture and Small Business Development Authority - This authority was created by State law. Its governing body consists of seven members appointed by the Governor with the advice and consent of the Senate. It is authorized to issue bonds to finance agricultural and small business development

Note 1 - Significant Accounting Policies (cont.)

loans for property acquisitions and renovations and pollution control facilities throughout the State. If for any reason, the authority ceases to exist, all rights and properties of the authority will pass to the State. Copies of the authority's financial statements can be requested from:

Missouri Agricultural and Small
Business Development Authority
P.O. Box 630
Jefferson City, Missouri 65102

Deferred Compensation Commission - The State offers all employees a deferred compensation plan. This plan was established by the Missouri State Public Employees Deferred Compensation Commission which consists of one member of the House of Representatives, one member of the Senate and three other commissioners appointed by the Governor with the advice and consent of the Senate. It is administered by the Public Employees Benefit Services Corporation of Missouri (PEBSCO). Under this plan, employees are permitted to defer a portion of their current salary until future years. The plan's fiscal year ends December 31, therefore, financial statements for its reporting period ending December 31, 1986 have been included in this report. Copies of the plan's financial statements can be requested from:

PEBSCO
One Nationwide Plaza
Annuity and Pension Operations
Accounting - GT
Columbus, Ohio 43216

Colleges and Universities - The Coordinating Board for Higher Education has certain responsibilities for these institutions and they receive State support. Following are the public four-year colleges and universities included in the financial statements:

Central Missouri State University
Harris-Stowe College
Missouri Southern State College
Missouri Western State College
Northeast Missouri State University
Northwest Missouri State University
Southeast Missouri State University
Southwest Missouri State University
University of Missouri

Note 1 - Significant Accounting Policies (cont.)

The financial statements for Lincoln University are not included because they were not available and are immaterial to the college and university funds as a whole.

The State participates in the Public School Retirement System as an employer of certified teachers who are members. However, the major financial support is from the Public School Districts. The system is financed by employee and employer contributions. A Board of Trustees is responsible for the general administration and oversight functions. The State has no fiscal control or authority over the system. Therefore, financial information for the Public School Retirement System is not included within the scope of the accompanying financial statements.

B. Basis of Presentation

The State's financial practices are based upon fund accounting concepts. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and fund balances, and changes therein.

The accompanying financial statements are structured into four categories of funds and two account groups:

Governmental Funds include the General Fund, Special Revenue Funds, Debt Service Funds and Capital Projects Funds. These funds account for the revenue sources and expenditures, capital outlay and certain debt service of the State.

Proprietary Funds include Enterprise Funds and Internal Service Funds. These funds account for the cost of services provided by the State, presenting the assets and liabilities associated with the service on the balance sheet and presenting the revenues, expenses and net income on the operating statement.

Fiduciary Funds include Non-Expendable Trust Funds, Expendable Trust Funds, Agency Funds and Pension and Insurance Trust Funds. These funds account for assets held by the State in a trustee capacity or as an agent for individuals, other governments and other funds.

The College and University Funds include Current, Loan, Endowment and Similar, Retirement and Similar, Agency and Plant Funds. The Current Funds account for resources currently

Note 1 - Significant Accounting Policies (cont.)

expendable for the institutions' purposes and resources restricted for specific programs. The Loan, Endowment and Similar, Retirement and Similar, Agency and Plant Funds account for assets held by the institutions as a trustee or agent. The Plant Funds account for institutional property acquisition, renewal and replacement, debt retirement and investment.

The Account Groups include the General Fixed Asset Account Group and the General Long-Term Debt Account Group. These account groups are used to record the fixed assets and long-term liabilities of the Governmental Funds and the Expendable Trust Funds.

C. Basis of Accounting

Governmental, Expendable Trust and Agency Funds are accounted for on the modified accrual basis of accounting. Revenues are recognized when they become measurable and available to pay current period liabilities. The Federal grant moneys are susceptible to accrual whereas the taxes, licenses, fees and permits are not susceptible as they are not measurable until received by the State. Expenditures are recognized when the related fund liability is incurred except for the following:

1. Principal and interest on general long-term debt is recorded as an expenditure of the Debt Service Fund when due.

2. Fixed assets are reported as expenditures when acquired.

3. Compensated absences (accumulated vacation and compensatory time) and sick pay are recorded as expenditures when paid.

4. Inventories are reported as expenditures when purchased.

Encumbrance accounting is used for purposes of budgetary control. Encumbrances outstanding at year end are reported as reservations of fund balances since they do not constitute expenditures or liabilities.

Proprietary, Non-Expendable Trust, Pension and Insurance Trust, and College and University Funds are accounted for on the accrual basis of accounting. Their revenues are recognized in the period earned and expenses are recognized in the period incurred. Unbilled services for proprietary funds are accrued at year end.

Note 1 - Significant Accounting Policies (cont.)

D. Budgetary Accounting

The State's annual budget is prepared principally on the cash basis and represents departmental appropriations recommended by the Governor and passed by the State legislature prior to the beginning of the fiscal year. Certain estimated original appropriation amounts may be increased as necessary. If supplemental appropriations are required for an appropriation year, they are enacted during the next legislative session by the same process used for original appropriations. During the year supplemental appropriations of $60,293,000 were required, 63% for Human Services and the remainder for capital outlay and other functions, and estimated appropriations were increased by $128,069,000.

Budgetary control is maintained at the departmental level. Expenditures cannot exceed the appropriation amounts at the individual appropriation level. Also, the Governor has the authority to reduce the allotments of appropriations in any fund if it appears that revenues for the fiscal year will fall below the estimated revenues. Unexpended appropriations lapse at the end of each appropriation year.

Since the budgetary basis differs from generally accepted accounting principles, actual amounts in the accompanying Combined Statement of Revenues, Expenditures and Changes in Fund Balances Budget (Non-GAAP Budgetary Basis) and Actual are presented on the budgetary basis; that is, the cash basis for the eighteen month appropriation year which includes the fiscal year, July 1 through June 30, plus the six month appropriation lapse period, July 1 through December 31. Due to the timing of this report's preparation the lapse period expenditures made during September through December cannot be included; however, they are not a material amount. A restatement of fund balance is made each year since expenditures from the prior year were understated.

Detailed appropriation information is presented in the Appropriation Activity Report which is prepared for the appropriation year ending December 31. Copies of this report can be requested from:

Office of Administration
Division of Accounting
P.O. Box 809
Jefferson City, Missouri 65102

Note 1 - Significant Accounting Policies (cont.)

This report presents the budget/actual information for General, Special Revenue, Debt Service and Capital Projects funds that have budgetary data. The General Fund is composed of three accounts, General Revenue, Federal and Revenue Sharing. The Special Revenue Funds of the State have been separated by functional areas to provide more meaningful data for the many funds. However, certain Special Revenue Funds are funded by receipts from specific sources which do not lend themselves to budget preparation. Therefore, only the following are included in the budget/actual statement:

Professional Registration - Board of Accountancy, Board of Barber Examiners, Board of Podiatry, Board of Chiropractic Examiners, Board of Cosmetology, Board of Embalmers and Funeral Directors, Board of Registration for Healing Arts, Board of Nursing, Board of Optometry, Board of Pharmacy, Missouri Real Estate Commission, Veterinary Board, Committee of Professional Counselors, Dental Board, State Board of Architects, Engineers and Land Surveyors, Athletic and Professional Registration Fees.

Public Education - State School Money, State Seminary Money, State Guaranty Student Loan, Excellence in Education, Missouri Prospective Teachers Loan, Fair Share and School District Trust.

Conservation and Environmental Protection - Conservation Commission, Parks Sales Tax, Soil and Water Sales Tax, Clean Water Commission, Water Well Drillers, State Land Survey Program, Hazardous Waste, Safe Drinking Water, Coal Mine Land Reclamation, Hazardous Waste Remedial, Missouri Air Pollution Control, Meramec-Onondaga State Parks, Oil and Gas Remedial and Mined Land Reclamation.

Judicial Protection and Assistance - Attorney General's Court Costs, Merchandising Practices Revolving, Attorney General's Anti-Trust, Legal Defense and Defender, Missouri Office of Prosecution Services and Crime Victims' Compensation.

Agricultural and State Fair Fees - Apple Merchandising, Milk Inspection Fees, Grain Inspection Fees, Marketing Development and State Fair Trust.

Social Assistance - Blind Pension.

Highways and Transportation - Grade Crossing, Highway Department, Railroad Expense, Highway Patrol Academy, State Transportation, Highway Patrol Motor Vehicle Revolving and Aviation Trust.

Note 1 - Significant Accounting Policies (cont.)

Unemployment and Workers' Compensation - Workers' Compensation, Workers' Compensation - Second Injury and Special Employment Security.

Reimbursements and Other - Public Service Commission and Department of Revenue Information.

This report presents budgetary data for only one Capital Projects fund, the State Road Fund. The other Capital Projects funds are funded by bond proceeds or grants for various projects which require several years to complete. Generally the bond authorization or grant is appropriated in total the first year even though the bond sales or grant receipts are received over a period of years as required for the projects. Therefore, these funds (Natural Resources-Land and Water, Water Pollution Control and Third State Building) do not have annual budgets and their budget data is not comparative to the actual data for the fiscal year. The budgetary control is still maintained at the department level but on a project basis.

The following is a reconciliation of the differences between the budgetary basis and the GAAP basis.

BUDGETARY BASIS vs. GAAP
(In Thousands of Dollars)

	General	Special Revenue	Debt Service	Capital Projects
Fund Balance (Budgetary Basis) June 30, 1987	$285,838	$192,111	$71,607	$ 14,723
Add (Deduct):				
Accrued Revenues	88,732	37,479	792	32,901
Deferred Revenues	(1,651)	(59,327)	---	---
Accrued Expenditures	(96,234)	(18,763)	---	(3,437)
Inventory Balance	10,423	1,739	---	31,428
Fund Balances of Funds Not Budgeted (GAAP Basis)	---	68,482	---	231,420
Fund Balance (GAAP Basis) June 30, 1987	$287,108	$221,721	$72,399	$307,035

E. Cash and Cash Equivalents

For reporting purposes, this includes bank accounts, petty cash and all short-term investments such as certificates of deposit, repurchase agreements and U.S. Treasury bills and these are stated at cost. Cash balances of most State funds are pooled and invested by the State Treasurer.

Note 1 - Significant Accounting Policies (cont.)

F. Investments

These are long-term investments which are expected to be held to maturity and redeemed at face value. The majority are investments of the Pension and Insurance Trust Funds and are stated at market. The remainder belong to various Agency, Non-Expendable, Expendable Trust and Enterprise Funds and are valued at lower of cost or market.

G. Receivables

Receivables include primarily Federal revenue amounts and accrued interest on investments. Receivables are reported net of allowances for uncollectibles where applicable.

H. Interfund Receivables Due from and Due to Other Funds

The State makes various transactions between funds to distribute interest earnings, finance operations, provide services, service debt and for capital outlay. Amounts owed to other funds but not yet distributed as of June 30, 1987 have been recorded as a receivable or payable.

I. Inventories

Inventories in the Governmental Funds and similar Trust Funds consist of expendable supplies held for consumption, the cost of which is recorded as an expenditure at the time of purchase. Reserves of fund balance have been established for the inventory balances. Inventories in the Proprietary Funds and similar Trust Funds consist of both expendable supplies held for consumption and the cost of goods held for resale, the cost of which is recorded as an expense as they are used. Inventories are valued at cost (first-in, first out).

J. Deferred Charges

Deferred charges represent issuance costs on bonds and are amortized over the life of the related issue.

K. Restricted Assets

These moneys are restricted by applicable bond indentures for revenue bonds of Enterprise Funds.

L. Fixed Assets and Depreciation

A fixed assets system was implemented in fiscal year 1987. The system enables the State to report fixed assets in the financial

Note 1 - Significant Accounting Policies (cont.)

statements. All fixed assets acquired or constructed for general governmental purposes are reported as expenditures in the fund that finances the asset acquisition and capitalized in the General Fixed Assets Account Group.

General fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Historical cost has been estimated for approximately eighteen (18) percent of the State's assets in the General Fixed Assets Account Group. The estimate of historical cost was based on current appraised value indexed to the date of acquisition. Donated general fixed assets are reported at estimated fair market value at the time received. General fixed assets acquired through lease agreements are capitalized at the inception of the agreement (see Note 4). Public domain (infrastructure) general fixed assets (including highways, bridges, highway lands and right-of-way) are not capitalized. No depreciation is provided on general fixed assets.

All fixed assets acquired by Proprietary, Non-Expendable Trust, and Pension and Insurance Trust Funds are reported in those funds at historical cost or estimated historical cost if actual historical cost is not available. Historical cost has been estimated for approximately two (2) percent of the State's assets in the Proprietary, Non-Expendable Trust, and Pension and Insurance Trust Funds. The estimate of historical cost was based on current appraised value indexed to the date of acquisition. Donated assets are reported at estimated fair market value at the time received. Fixed assets are depreciated for the full year using the straight-line method of depreciation over the following useful lives: buildings - 40 years, land improvements and building improvements - 20 years and equipment - 5 years.

Generally, College and University Fund fixed assets are stated at cost or at estimated fair market value at time of donation and are not depreciated. During fiscal year 1987, a university recorded a valuation adjustment to buildings and improvements in the Plant Fund to reflect management's estimate of the current replacement cost of these assets. Generally accepted accounting principles require these assets to be valued at cost or fair market value. The revaluation increased buildings and improvements and net investments in plant in the Plant Fund by $135,554,000.

M. Cash Overdraft

Cash balances represent both operating cash accounts and investment cash on deposit with the investment agent. In order to maximize investment income, the float caused by outstanding checks is invested thus causing a negative book balance.

Note 1 - Significant Accounting Policies (cont.)

N. Deferred Revenues

Deferred revenues are those for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Therefore, such amounts are reported within the accompanying financial statements as receivables and offset by a deferred revenue account. These amounts include $86,863,000 within the General Fund, $6,510,000 within the Special Revenue Funds, $370,000 within the Debt Service Funds, $668,000 within the Capital Projects Funds and $53,000 within the Expendable Trust Funds. Such amounts have been deemed to be measurable but not available.

Deferred revenues also include amounts collected in advance of the year in which earned. The State has reported as such deferred revenues the amount of $5,780,000 within the General Fund for advance revenue collections of Federal grant contributions, $59,326,000 within Special Revenue Funds for unspent revenues at year end, $1,335,000 within Enterprise Funds and $1,000 within Internal Service Funds for amounts collected in advance of the year in which earned, $1,621,000 within the Pension and Insurance Trust Funds for contributions received but not earned and $22,267,000 within the College and University Funds for amounts collected in advance.

O. Long-Term Debt

Long-term liabilities that will be financed from Governmental Funds and Expendable Trust Funds are accounted for in the General Long-Term Debt Account Group. These long-term liabilities include the following:

1. Outstanding principal for general obligation debt is included. The expenditure and related liability for payment of principal and interest for general obligation debt are recorded in the Debt Service Funds when paid and the debt principal amount removed from the General Long-Term Debt Account Group.

2. The unfunded accrued liability of the Missouri State Employees' Retirement System and of the pay-as-you-go benefit groups; and the unfunded accrued benefits of the Highway Employees' and Highway Patrol Retirement System are included and will be paid from the General Revenue Fund and the Special Revenue Funds (see Note 5).

3. Compensated absences reported in the General Long-Term Debt Account Group include accumulated unpaid vacation and compensatory time accruals. These amounts are not accrued

Note 1 - Significant Accounting Policies (cont.)

in the governmental funds and expendable trust funds but are recorded as expenditures when paid. There are immaterial amounts of compensated absences for Proprietary Funds included in the General Long-Term Debt Account Group which are recorded as expenses when paid.

Vacation leave is accumulated at a rate of 10 to 14 hours a month depending on the number of years of employment. Accumulated vacation leave cannot exceed the number of vacation hours earned in a two year period. Compensatory time is accumulated as earned by an individual employee.

Sick leave is accumulated at a rate of 10 hours per month with no limit to the amount which can be accumulated. Accumulated sick leave is not paid upon employee termination and does not represent a liability of the State.

The expenditures for all compensated absences are made primarily from the General Fund, Special Revenue Funds and a Capital Projects Fund.

4. Due to other entities is owed to the Federal Highway Administration from the Department of Highways and Transportation to repay funding advances for the purchase of right-of-way, which will be paid from a Capital Projects Fund.

5. Obligations under lease/purchases reported in the General Long-Term Debt Account Group include the present value of net minimum future lease payments, which will be paid from the General Fund and Special Revenue Funds.

Long-term liabilities of all Proprietary, Non-Expendable Trust and Pension and Insurance Trust Funds are accounted for in the respective funds.

P. Fund Equity

Contributed capital is recorded in Enterprise Funds which have received fixed assets from other funds.

Reserves represent those portions of fund equity (1) not appropriable for expenditure or (2) legally segregated for a specific future use. Following is a list of reserves used by the State of Missouri and a description of each:

Reserved for Revenue Bonds - An account used to segregate a portion of retained earnings to meet the requirements of revenue bond trust indentures.

Note 1 - Significant Accounting Policies (cont.)

Reserved for Education - An account used to segregate a portion of fund balance to support the educational programs of the State.

Reserved for Encumbrances - An account used to segregate outstanding encumbrances chargeable to the current reporting period that exist at the end of that period.

Reserved for Inventory - An account used to segregate a portion of fund balance to indicate that inventory does not represent available, spendable resources even though it is a component of assets.

Reserved for Future Distribution - An account used to segregate a portion of fund balance for the specific future use of other entities.

Reserved for Cash Operations - An account used to segregate a portion of fund balance to compensate for possible cash-flow imbalances.

Reserved for Taxes - An account used to segregate a portion of fund balance for taxes received for which payment was made under protest and for bonds filed by license holders for security against default of payment of tax liabilities.

Reserved for Debt Service - An account used to segregate a portion of fund balance for debt service resources legally restricted to the payment of general long-term debt principal and interest amounts maturing in future years.

Reserved for Retirement System - An account used to segregate a portion of fund balance for the specific future use of the retirement system's members.

Reserved for Insurance Benefits - An account used to segregate a portion of fund balance for the specific future use of the employees' benefit system's members.

Reserved for Loans Receivable - An account used to indicate that the long-term portion of loans receivable does not represent available, spendable resources even though it is a component of assets.

Reserved for Unclaimed Properties - An account used to segregate a portion of fund balance for the payment of unclaimed property amounts to the owners.

Note 1 - Significant Accounting Policies (cont.)

Reserved for Colleges and Universities - An account used to segregate a portion of fund balance for resources of specific uses and programs including debt retirement of the plant funds.

Designated fund balance reflects tentative plans for future use of financial resources. In the accompanying Combined Balance Sheet, designations for encumbrances represent outstanding encumbrances that are chargeable to the subsequent reporting period but were incurred prior to the end of the current period.

Undesignated fund balance indicates that portion of fund equity which is available for budgeting in future periods.

Q. Revenues

The revenues of the General Fund include Federal grants and contributions of $1,076,619,000. Revenues for all funds are reported net of refunds of $327,642,000.

R. Interfund Transactions

During the fiscal year the State incurs various transactions between funds, including expenditures and transfers of resources to distribute interest earnings, finance operations, provide services, construct assets and service debt. Interfund transactions basically consist of these two types:

1. Transactions that would be treated as revenues, expenditures or expenses if they involved organizations external to the State are similarly treated when involving other funds of the State. Major transactions that fall into this category include payments to Internal Service Funds from other funds for services rendered and contributions for employee benefits.

2. Transfers from funds receiving revenues to funds through which the resources are to be expended and operating subsidies are classified as operating transfers except for annual appropriations to the colleges and universities which are accounted for as revenues and expenditures in the funds involved.

The composition of interfund receivables and payables at June 30, 1987 is presented in Note 10.

Note 1 - Significant Accounting Policies (cont.)

S. Expenditures and Expenses

Expenditures and expenses are reported net of revenue overcollections of $268,556,000 and $5,599,000; and overpayments to vendors, to individuals, to school districts and for cost reimbursements of $53,113,000 and $374,000, respectively.

T. Totals - Memorandum Only

These columns represent a summation of the combined financial statement columns, are presented only for analytical purposes, do not present consolidated financial information and have not been adjusted to eliminate interfund transactions.

Note 2 - Deposits and Investments

Article IV, Section 15 of the Constitution designates the State Treasurer as custodian of all State funds; and the Department of Revenue as custodian of all non-State funds, such as taxes and fees imposed by political subdivisions and collected by the Department of Revenue. Certain organizational units, included herein as component entities of the State, are authorized to administer assets designated to their organization in a manner similar to the deposit and investment activities of the State as a whole. Each fund type's portion of deposits and investments are reported on the combined balance sheet as either "Cash and Cash Equivalents", "Investments" or "Restricted Assets".

Deposits

The State Treasurer is authorized by statute to place moneys in time deposits in Missouri banking institutions. All such deposits are fully insured by federal depository insurance or are fully collateralized by securities held by custodial banks under contract to serve as the State Treasurer's safekeeping agent. Statutes require specific collateral for State funds on deposit. The market value of collateral must total to an amount equal to one hundred percent or greater of the amount of State time deposits plus demand deposits with the depository, less the amount, if any, which is an insured deposit pursuant to the Federal Deposit Insurance Act. All securities pledged as collateral by the depository are held on behalf of the Missouri State Treasurer by an independent third party custodian designated by the State Treasurer, in a segregated account. All collateral pledged must be delivered in bearer form, book entry form, or in the base of fully-registered certificates, placed into the nominee name of the custodian. At year end, the State Treasurer had $534,697,000 in fully collateralized time deposits, which represented 41% of the moneys held by the State Treasurer.

Note 2 - Deposits and Investments (cont.)

The remaining deposits held by the various other entities had a carrying amount of $197,035,000 at June 30, 1987. Of that balance, $187,925,000 was covered by federal depository insurance or by collateral held by the pledging financial institution's trust department or agent in the entity's name.

Investments

Investments include certain short-term cash equivalents, various long-term items and restricted assets.

Statutes authorize the State Treasurer to invest in U.S. Treasury and Agency securities maturing within three years or in repurchase agreements maturing within ninety days secured by U.S. Treasury and Agency securities of any maturity. The agency and pension funds, the component entities in the enterprise fund and the Colleges and Universities, in accordance with statutory authority, invest primarily in U.S. Government securities, preferred and common stocks, bonds, real estate and commercial paper.

The material investments (in thousands of dollars) are categorized below to give an indication of the level of risk assumed at June 30, 1987. Category 1 includes investments that are insured or registered, or securities held by the entity or its agent in the entity's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the entity's name. Category 3 includes uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the entity's name.

The "other" investments include various immaterial deposits and investments and have not been categorized.

	Category 1	Category 2	Category 3	Carrying Amount	Market Amount
U.S. Government Securities	$ 464,212	$ 317,891	$ 411,530	$1,193,633	$1,205,666
Repurchase Agreements	439,697	---	---	439,697	440,237
Stocks	95,724	800,143	---	895,867	1,107,479
Bonds	58,335	555,273	---	613,608	611,759
Commercial Paper	---	148,763	---	148,763	148,763
Real Estate	---	91,029	---	91,029	92,008
Miscellaneous	30,417	202,854	---	233,271	233,684
	$1,088,385	$2,115,953	$ 411,530	$3,615,868	$3,839,596
Other Investments				585,648	
Total Investments				$4,201,516	

Note 3 - Fixed Assets

A statement of changes in general fixed assets for the year ended June 30, 1987 is as follows (in thousands of dollars):

	Land	Land Improvements	Buildings	Equipment	Construction In Progress	Totals
Balance July 1, 1986	$190,922	$ 59,351	$ 638,947	$ 424,137	$ ---	$1,313,357
Adjustments	40,221	(41,320)	(202,793)	(135,548)	1,970	(337,470)
Additions	18,813	198	59,049	50,291	37,612	165,963
Deletions	(3)	---	(764)	(18,759)	(4,559)	(24,085)
Balance June 30, 1987	$249,953	$ 18,229	$ 494,439	$ 320,121	$ 35,023	$1,117,765

Adjustments were made to the general fixed assets balances due to the implementation of a fixed assets system which enables the State to report fixed assets.

A summary of Proprietary Funds' property, plant and equipment at June 30, 1987 is shown below (in thousands of dollars):

	Enterprise	Internal Service	Pension and Insurance Trust
Land	$ 15,633	$ 41	$ 71
Land Improvements	3,942	---	---
Accumulated Depreciation	(1,046)	---	---
Buildings	102,411	734	1,127
Accumulated Depreciation	(17,390)	(462)	(28)
Equipment	14,836	7,079	905
Accumulated Depreciation	(6,767)	(3,915)	(286)
Construction In Progress	86,885	---	---
Totals	$ 198,504	$ 3,477	$ 1,789

A summary of College and University Funds' property, plant and equipment at June 30, 1987 is shown below (in thousands of dollars):

Land and Improvements	$ 60,959
Buildings and Improvements	927,325
Equipment	273,658
Library Books	97,999
Construction In Progress	95,432
Total	$ 1,455,373

Note 4 - Capital Leases

The State has entered into various agreements to lease buildings and equipment. FASB Statement No. 13, "Accounting For Leases," requires a lease that transfers substantially all of the benefits and risks of ownership to the lessee be accounted for as the acquisition of a fixed asset and the incurrence of an obligation by the lessee (a capital lease).

Capital leases for the proprietary funds are reported as a long-term obligation in those funds along with the related assets. Capital leases for the governmental funds are reported in the General Long-Term Debt Account Group and the related assets are reported in the General Fixed Assets Account Group.

Following is a summary of the future minimum lease payments for capital leases:

Fiscal Year Ending June 30	Long-Term Debt Account Group	College and University Funds
1988	$ 6,296,405	$ 5,670,369
1989	5,658,466	5,037,981
1990	5,226,004	5,124,104
1991	5,023,575	2,688,483
1992	4,934,731	1,896,504
After 1992	112,453,800	178,000
Total minimum lease payments	139,592,981	20,595,441
Less amount representing interest	79,471,358	2,936,462
Present value of net minimum lease payments	$ 60,121,623	$17,658,979

Assets acquired through these capital lease agreements are recorded as fixed assets at the lower of the present value of the minimum lease payments or the fair market value. The following is an analysis of the property under capital lease by asset category as of June 30, 1987:

	General Fixed Assets Account Group	College and University Funds
Land	$ ---	$ 1,612,690
Buildings	56,521,145	9,119,000
Equipment	4,621,532	21,430,067
Total Fixed Assets	$ 61,142,677	$ 32,161,757

Note 5 - Retirement Systems

Missouri State Employees' Retirement System and Highway Employees' and Highway Patrol Retirement System:

The State administers two single-employer retirement plans. Most employees of the State belong to either the Missouri State Employees' Retirement System (MOSERS) or the Highway Employees' and Highway Patrol Retirement System (HEHPRS) except for teachers who participate in the Public School Retirement System. Both MOSERS and HEHPRS are defined benefit plans which are presently funded by State contributions only.

Retirement benefits for administrative law judges and judges are administered by MOSERS, however, these benefits are not funded and are not financial obligations of the retirement system trust fund. The unfunded benefits paid are reimbursed monthly from appropriations from General Fund.

Actuarial valuation reports have not been performed as of July 1, 1986 for the administrative law judges and judges. Therefore, the unfunded accrued liabilities, contributions as a percentage of payroll and present value of accrued benefits are the same as presented in the statements at June 30, 1986. These are based on the actuarial valuation reports performed as of July 1, 1984. It has been determined that these groups have not changed materially since that time.

As of July 1, 1986 the actuarial valuation shows the number of participants for MOSERS to be approximately 51,000 and as of July 1, 1986 another 600 participants were in the non-funded groups. HEHPRS shows approximately 11,000 participants as of July 1, 1986. The total contributions for the year ended June 30, 1987 were $87,698,000 for MOSERS (including $15,239,000 of reimbursements from General Fund for pay-as-you-go benefits) and $36,592,000 for HEHPRS. The unfunded accrued liabilities are as follows:

	As of July 1, 1986	As of July 1, 1984
MOSERS (Includes General Assembly, Elected Officials and Legislative Law Clerks)	$332,769,000	$ N/A
Administrative Law Judges	N/A	2,076,000
Judges	N/A	44,714,000

The unfunded accrued benefits for HEHPRS are $96,022,000.

Note 5 - Retirement Systems (cont.)

Both systems provide two types of benefits, prefunded and pay-as-you-go (a current disbursements approach) benefits. The actuarial cost methods used to fund these benefits are the Entry Age Normal Cost Method and the Aggregate Cost Method for MOSERS and HEHPRS, respectively. The actuarially determined contributions required for fiscal year 1988 to fund benefits as a percentage of payroll are as follows:

	Funded Benefits	All Benefits
MOSERS (Includes General Assembly, Elected Officials and Legislative Law Clerks)	12.10%	12.46%
Administrative Law Judges	---	24.98%
Judges	---	34.54%
HEHPRS		
Non-Uniformed Employees	15.27%	15.68%
Uniformed Employees	29.89%	30.69%

The actual contribution rates for fiscal year 1988 are 12.1% for MOSERS and 16.98% for non-uniformed employees and 31.92% for uniformed employees of HEHPRS.

The actuarial computations, for benefit information determined as of July 1, 1986 for MOSERS and HEHPRS and as of July 1, 1984 for the Administrative Law Judges and Judges are as follows:

	Present Value of Accrued Benefits		Market Value of Assets	Assumed Rate of Return
	Vested	Nonvested		
MOSERS (Includes General Assembly, Elected Officials and Legislative Law Clerks)	$693,472,000	$26,332,000	$960,973,000	8%
Administrative Law Judges	1,182,000	607,000	---	---
Judges	40,973,000	1,907,000	---	---
HEHPRS	391,308,000	4,890,000	300,176,000	8%

Note 5 - Retirement Systems (cont.)

Public School Retirement System:

The State of Missouri also made employer contributions to the Public School Retirement System of Missouri. This retirement system includes all public school districts within the State except for the two districts covering the major metropolitan areas. It also includes certain public colleges and universities and some State employees. This system was established by State law as a corporate body administered by a board of trustees. It has approximately 58,000 members and 16,400 retirants and beneficiaries. All full-time employees certified as teachers under State law are required by law to contribute. The State as employer is required to match those contributions.

The State contributions for fiscal year 1987 were $8,024,000 which was 9.5% of payroll for teachers contributing only to this system and 6.3% of payroll for teachers contributing to this system and to the Social Security system. As of June 30, 1986 the actuarial present value of credited projected benefits is $7,077,923,000 and the net assets available for benefits is $3,285,273,000.

Colleges and Universities - University of Missouri Retirement System:

The University of Missouri, included in the College and University Funds, has a noncontributory Retirement, Disability, and Death Benefit Plan for all qualified employees. Contributions by the university to the plan for the year, included in Current Funds Expenditures, amounted to $24,035,000. Such contributions, which are based on a percentage of compensation, cover current service costs plus a portion of past service costs. The contribution rate results in the amortization of past service costs over approximately 20 years. Accumulated plan benefits and plan net assets (in thousands of dollars) as of October 1, 1986 (the latest date of determination by an independent actuary) are summarized as follows:

Actuarial Present Value of Accumulated Plan Benefits:

Vested	$273,251
Nonvested	3,388
	$276,639
Net Assets Available for Benefits	$395,197

Note 6 - Deferred Compensation

In accordance with Internal Revenue Code Section 457, the State offers all employees a deferred compensation plan. Under this plan, employees are permitted to defer a portion of their current salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the State (without being restricted to the provisions of benefits under the plan), subject only to the claims of the State's general creditors.

Participants' rights under the plan are equal to those of general creditors of the State in an amount equal to the fair market value of the deferred account for each participant.

In the past, the plan assets have been used for no purpose other than to pay benefits. In addition, the State believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

Note 7 - Changes in General Long-Term Debt

The following is a summary of changes in general long-term debt for the year ended June 30, 1987 (in thousands of dollars):

	Balance July 1, 1986	Increases	Decreases	Balance June 30, 1987
Due to Other Entities	$ 15,331	$ 693	$ ---	$ 16,024
General Obligation Debt Payable	308,920	385,000	(7,395)	686,525
Obligations Under Lease/Purchases	2,794	57,328	---	60,122
Compensated Absences	64,598	4,973	---	69,571
Unfunded Benefits	430,055	45,528	---	475,583
Total Long-Term Debt	$ 821,698	$ 493,522	$ (7,395)	$1,307,825

Note 8 - Bonds Payable

General Obligation Bonds:

General obligation bonds are secured by a pledge of the full faith, credit and resources of the State. The principal and interest amounts are transferred from the General Fund to the Debt Service Funds from which principal and interest payments are made. Two types of general obligation bonds are issued by the State. The Water Pollution Control Bonds are used to provide matching funds in connection with Federal water pollution programs for constructing sewerage treatment facilities by Missouri municipalities. Proceeds from the Third State Building Bonds are used to provide funds for improvements of State buildings and property. General obligation bonds authorized, issued and outstanding as of June 30, 1987 were as follows (in thousands of dollars):

	Interest Rates	Payment Dates	Issue Date	Final Maturity Date	Authorized	Issued	Retired	Outstanding
Water Pollution Control Bonds:								
Series A 1972	0.05- 6.0%	6/1; 12/1	7/72	6/1/97	$ 20,000	$ 20,000	$ 9,555	$ 10,445
Series A 1974	5.0 - 5.6%	2/1; 8/1	3/74	2/1/99	8,000	8,000	2,995	5,005
Series B 1974	5.0 - 5.75%	6/1; 12/1	12/74	12/1/94	15,000	15,000	6,880	8,120
Series A 1977	3.5 - 5.5%	4/1; 10/1	6/77	4/1/97	31,494	31,494	11,629	19,865
Series A 1981	9.2 - 9.8%	5/1; 11/1	6/81	5/1/01	20,000	20,000	3,060	16,940
Series A 1983	7.2 - 9.7%	2/1; 8/1	2/83	2/1/08	20,000	20,000	1,075	18,925
Series B 1983	7.8 -10.3%	5/1; 11/1	11/83	11/1/08	10,000	10,000	375	9,625
Series A 1985	7.9 -10.4%	3/1; 9/1	3/85	3/1/10	20,000	20,000	425	19,575
Series A 1986	6.75- 9.25%	2/1; 8/1	7/86	8/1/10	60,000	60,000	---	60,000
Authorized - Unissued	---	---	---	---	145,506	---	---	---
Third State Building Bonds:								
Series A 1983	7.2 - 9.7%	2/1; 8/1	2/83	2/1/08	40,000	40,000	2,155	37,845
Series B 1983	7.8 -10.3%	5/1; 11/1	11/83	11/1/08	35,000	35,000	1,325	33,675
Series A 1984	8.6 -11.1%	5/1; 11/1	5/84	5/1/09	50,000	50,000	1,870	48,130
Series A 1985	7.9 -10.4%	3/1; 9/1	3/85	3/1/10	75,000	75,000	1,625	73,375
Series A 1986	6.75- 9.25%	2/1; 8/1	7/86	8/1/10	325,000	325,000	---	325,000
Authorized - Unissued	---	---	---	---	75,000	---	---	---
Total General Obligation Bonds					$ 950,000	$729,494	$42,969	$ 686,525

Note 8 - Bonds Payable (cont.)

As of June 30, 1987, general obligation debt service requirements for principal and interest in future years were as follows (in thousands of dollars):

Fiscal Year Ended June 30	Principal	Interest	Totals
1988	$ 14,095	$ 53,905	$ 68,000
1989	15,150	52,691	67,841
1990	16,265	51,390	67,655
1991	17,500	49,986	67,486
1992	18,825	48,469	67,294
1993-1997	114,900	216,640	331,540
1998-2002	135,680	168,539	304,219
2003-2007	189,105	105,500	294,605
2008-2012	165,005	24,357	189,362
Totals	$ 686,525	$ 771,477	$1,458,002

Revenue Bonds:

Board of Public Buildings:

The Board of Public Buildings of the State of Missouri, upon the approval of the General Assembly, issues revenue bonds for building projects and pledges the revenues earned from leasing these buildings toward the payment of principal and interest. The Board also commits State agencies to lease space in these buildings and the agencies then pay the lease amounts from funds appropriated to them by the General Assembly.

The total amount authorized for the Board equals $229,000,000. As of November, 1985, seven bond series equaling $161,155,000 had been issued per this authorization. In December, 1985, the Board issued $150,560,000 principal amount of State Building Special Obligation Refunding Bonds, Series A 1985 for the purpose of refunding all the outstanding Board of Public Buildings bond issues. The outstanding principal amounts at the time of refunding were as follows:

Kansas City State Office Building, Series 1966	$ 2,160,000
Kansas City State Office Building, Series 1967	825,000
Wainwright State Office Building, Series A 1978	11,745,000
Springfield State Office Building, Series A 1979	2,260,000
Midtown State Office Building, Series A 1980	3,795,000
Truman State Office Building, Refunding Series A 1983	39,875,000
Corrections and Mental Health Project, Series A 1984	89,900,000
Total	$150,560,000

Note 8 - Bonds Payable (cont.)

The Board of Public Buildings bonds authorized, issued and outstanding as of June 30, 1987 were as follows (in thousands of dollars):

	Interest Rates	Payment Dates	Issue Date	Final Maturity Date	Authorized	Refunding Issue	Retired	Outstanding
Board of Public Buildings - Refunding	8.3 - 8.6%	2/1; 8/1	12/85	8/1/09	$ 150,560	$ 150,560	$ 1,510	$ 149,050

Authorized	$ 229,000
Issued	161,155
Authorized - Unissued	$ 67,845

As of June 30, 1987, the debt service requirements for principal and interest in future years for the Board of Public Buildings bonds were as follows (in thousands of dollars):

Fiscal Year Ended June 30	Principal	Interest	Totals
1988	$ 7,175	$ 12,195	$ 19,370
1989	7,650	11,580	19,230
1990	8,225	10,921	19,146
1991	8,825	10,213	19,038
1992	9,475	9,454	18,929
1993-1997	26,050	38,885	64,935
1998-2002	25,150	29,595	54,745
2003-2007	30,975	17,906	48,881
2008-2012	25,525	3,407	28,932
Totals	$ 149,050	$ 144,156	$ 293,206

Department of Natural Resources:

The Department of Natural Resources of the State of Missouri has eight series of revenue bonds outstanding in the aggregate principal amount of $3,255,000. These bonds are payable solely from the net incomes and revenues of their respective projects and the State parks in which such projects are located and/or up to fifty percent of the preceding year's deposits to the State Park Earnings Fund, an Enterprise Fund. The Department of Natural Resources bonds authorized, issued and outstanding as of June 30, 1987 were as follows (in thousands of dollars):

Note 8 - Bonds Payable (cont.)

	Interest Rates	Payment Dates	Issue Date	Final Maturity Date	Authorized	Issued	Retired	Outstanding
Big Lake Motel - Cabins #1 Trail of Tears Marina #1	5.75-6%	4/1; 10/1	10/71	10/1/92	$ 448	$ 448	$ 133	$ 315
Wakonda Cabins	5.75-6%	4/1; 10/1	10/71	10/1/92	706	706	206	500
Bennett Spring Usery	4.25-6%	4/1; 10/1	10/71	10/1/92	250	250	75	175
Big Lake Motel - Cabins #2 Trail of Tears Marina #2	4.75-5.5%	4/1; 10/1	5/73	10/1/93	344	344	189	155
Bennett Spring (Series A) - Vogels Resort	4.75-5.5%	4/1; 10/1	5/73	10/1/93	200	200	70	130
Bennett Spring (Series B) and Harry S Truman Park	8.5 -10%	1/1; 7/1	1/81	7/1/96	273	273	98	175
State Park Development	10%	1/1; 7/1	7/81	7/1/96	400	400	85	315
Total Department of Natural Resources	---	---	---	---	1,780	1,780	290	1,490
					766	---	---	---
					$ 5,167	$ 4,401	$ 1,146	$ 3,255

As of June 30, 1987, debt requirements for principal and interest for the Department of Natural Resources revenue bonds were as follows (in thousands of dollars):

Fiscal Year Ended June 30	Principal	Interest	Totals
1988	$ 270	$ 254	$ 524
1989	335	231	566
1990	365	205	570
1991	380	178	558
1992	415	148	563
1993-1997	1,490	316	1,806
Totals	$ 3,255	$ 1,332	$ 4,587

Note 8 - Bonds Payable (cont.)

The bonds and notes of the Housing Development Commission, the Higher Education Loan Authority and the Health and Educational Facilities Authority are presented by fiscal year or calendar year as indicated. These bonds have not been adjusted for discounts or premiums.

Housing Development Commission:

The Housing Development Commission has issued bonds and notes to provide financing for multi-family housing projects or for single-family residential housing units. The bond and note proceeds are deposited with and invested by various bank trust departments in qualified investments until required for such financing. These bonds and notes are obligations of the commission and are not liabilities of the State. The Housing Development Commission bonds and notes outstanding as of June 30, 1987 consist of (in thousands of dollars):

Bonds and Notes Payable	Interest Rates	Final Maturity Date	Original Amount Authorized	Outstanding
Multi-Family Mortgage Program:				
1971 Series	5.5 - 6.0%	2014	$ 12,875	$ 11,320
1975 Series	7.3 - 8.0%	2018	10,465	9,910
1976 Series	5.25 - 8.0%	2019	41,800	39,380
1977 Series	4.9 - 6.0%	2020	30,000	28,080
1978 Series	5.6 - 6.6%	2022	80,000	75,400
1979 Series	5.8 - 7.0%	2022	75,900	73,710
1980 Series	9.625-10.0%	2023	15,500	15,350
1982 Series	9.0 -12.7%	2024	15,450	15,185
1983 Series	7.0 -10.0%	2025	50,000	49,390
1984 Series	7.25 -11.25%	2025	30,507	27,999
1985 Series	5.5 -11.0%	2026	12,572	12,531
1986 Series	6.5 - 8.5%	2028	17,352	17,352
Total Multi-Family Mortgage Program			$ 392,421	$ 375,607
Single-Family Mortgage Program:				
1976 Series	6.375%	2007	$ 28,175	$ 18,115
1978 Series	6.0 - 6.3%	2010	28,050	22,085
1979 Series	6.4 - 6.875%	2010	94,915	76,400
1980 Series	7.9 -11.0%	2012	133,180	104,960
1982 Series	9.0 -13.6%	2002	99,995	46,575
1983 Series	6.75 -10.5%	2003	143,483	108,427
1984 Series	7.2 -11.0%	2004	99,622	87,626
1985 Series	6.2 - 9.375%	2016	100,000	87,660
1986 Series	4.75 - 9.0%	2018	129,895	129,895
Total Single-Family Mortgage Program			$ 857,315	$ 681,743

Note 8 - Bonds Payable (cont.)

All bonds and notes have early redemption provisions. A summary of future annual principal maturities, which excludes unamortized deferred debt discount, follows:

	Multi-Family Mortgage Program	Single-Family Mortgage Program
	(In Thousands)	
Bonds and notes maturing during year ending June 30 --		
1988	$ 3,842	$ 23,989
1989	4,120	26,560
1990	4,423	27,550
1991	4,766	28,970
1992	5,120	30,445
Thereafter	353,336	544,229
	$ 375,607	$ 681,743

Higher Education Loan Authority:

The Higher Education Loan Authority has issued student loan revenue bonds which are payable from interest and principal repayments on the financed loans as specified in the resolutions authorizing the sale of bonds. The bonds are not payable from funds received from taxation and are not a debt of the State or any of its political subdivisions. The authority redeemed Series 1985 A bonds in the amount of $1,535,000 on February 15, 1987, as provided in the indentures. The Higher Education Loan Authority bonds outstanding as of June 30, 1987 consist of (in thousands of dollars):

	Interest Rates	Issue Date	Final Maturity Date	Outstanding
Series 1985 A & B	5.65-7.375%	2/85	2/15/00	$ 27,485
Series 1985 C	6.75-7.75%	9/85	2/15/91	15,360
Series 1985 D	6.75%	9/85	2/15/99	54,200
Series 1986 A	4.75-5.50%	12/86	12/01/91	13,075
Series 1986 B	(1)	12/86	12/01/99	32,000
Total Higher Education Loan Authority				$ 142,120

(1) Adjusted Weekly.

Note 8 - Bonds Payable (cont.)

Health and Educational Facilities Authority:

The Health and Educational Facilities Authority has issued bonds and notes. The funds received are loaned to health and education institutions and they are required to make payments to the authority or trustee sufficient to meet the principal and interest requirements. A summary of the long term debt at December 31, 1986 presented by calendar year follows (in thousands of dollars):

	Interest Rates	Final Maturity Date	Issued	Outstanding
Public Revenue Bonds:				
Series 1979	7.0 - 9.0%	2009	$ 63,100	$ 59,385
Series 1980	6.8 -10.5%	2013	112,765	104,760
Series 1981	14.0%	2011	23,265	23,000
Series 1983	5.75-10.125%	2015	134,640	133,020
Series 1985	5.25- 9.875%(1)	2016	453,725	448,855
Series 1986	4.25- 7.4%	2013	32,500	32,500
Total Public Revenue Bonds			819,995	801,520
Private Placement Revenue Bonds:				
Series 1979	7.625%	2002	20,000	14,300
Series 1980	9.0 -11.5%	2011	5,795	5,250
Series 1981	11.25%(1)	2001	16,550	12,948
Series 1982	(1)	1987	4,000	2,895
Series 1983	(1)	2013	9,010	8,530
Series 1985	5.25- 8.75%(1)	2015	23,825	23,795
Total Private Placement Revenue Bonds			79,180	67,718
Total Revenue Bond Offerings			$ 899,175	$ 869,238
Hospital Equipment Revenue Bonds -				
Series 1982	9.25-10.5%	1988	29,710	14,209
Series 1985	(2)	1994	130,000	128,300
Total Hospital Equipment Revenue Bonds			159,710	142,509
Public School Revenue Bonds -				
Series 1985	(3)	1987	75,550	75,550
Demand Revenue Notes - Series 1982	(4)	1987	10,000	10,000
Series 1984	(4)	2009	84,400	77,600
Series 1985	(1)	2005	28,900	25,600
Total Demand Revenue Notes			123,300	113,200
Total Bonds and Notes			$ 1,257,735	$ 1,200,497

(1) Rate fluctuates with the prime rate within established minimum and maximum ranges.

(2) Variable interest rate not to exceed 14%.

(3) Rate of 2.6% per annum on the outstanding principal balance.

(4) Rate fluctuates with the tax-exempt or variable bond market rate up to a maximum limit.

Note 8 - Bonds Payable (cont.)

State Environmental Improvement and Energy Resources Authority:

The State Environmental Improvement and Energy Resources Authority has authorized the issuance of revenue bonds, notes and commercial paper for projects since fiscal year 1974. This indebtedness is not an indebtedness of the authority or the State but is a liability of the organization to which title of the project passes.

Industrial Development Board:

The Industrial Development Board authorized the issuance of revenue bonds in fiscal year 1984. This indebtedness is not a liability of the board or the State but is a liability of the organization which has title to the project.

Agricultural and Small Business Development Authority:

The Agricultural and Small Business Development Authority has issued revenue bonds. This indebtedness is not a liability of the authority or the State.

Colleges and Universities:

The colleges and universities of the State issue revenue bonds for various projects on each respective campus. Bonds are payable, both as to principal and interest, only out of net income and revenues arising from operations of facilities funded by the bonds. As of June 30, 1987, debt requirements for principal and interest for the colleges and universities were as follows (in thousands of dollars):

Fiscal Year Ended June 30	Principal	Interest	Totals
1988	$ 5,438	$ 7,790	$ 13,228
1989	5,379	7,471	12,850
1990	5,695	7,209	12,904
1991	6,040	6,923	12,963
1992	6,341	6,613	12,954
1993-1997	36,730	27,533	64,263
1998-2002	33,487	17,134	50,621
2003-2007	24,497	7,336	31,833
2008-2012	6,004	828	6,832
Totals	$ 129,611	$ 88,837	$ 218,448

The bonds payable amount reported in the statements for colleges and universities differs from the bond schedule disclosed above. One of the universities has been advanced $2,073,000 for a remodeling project. A schedule of bonds payable will not be available until the project is complete.

Note 8 - Bonds Payable (cont.)

BOND TRANSACTIONS OF THE STATE OF MISSOURI
For the Fiscal Year Ended June 30, 1987
(In Thousands of Dollars)

	General Obligation	Revenue	Total
Bonds Payable at July 1, 1986	$ 308,920	$2,559,605	$2,868,525
New Bonds Issued:			
Water Pollution Control	60,000	---	60,000
Third State Building	325,000	---	325,000
Housing Development Commission:			
Multi-Family Mortgage Program - 1986 Series	---	17,352	17,352
Single-Family Mortgage Program - 1986 Series	---	129,895	129,895
Higher Education Loan Authority:			
Series 1986 A	---	13,075	13,075
Series 1986 B	---	32,000	32,000
Health and Educational Facilities Authority:			
Public Revenue Bonds - Series 1986	---	32,500	32,500
Bonds Retired	(7,395)	(232,155)	(239,550)
Subtotal	686,525	2,552,272	3,238,797
College and University (1)	---	129,611	129,611
Bonds Payable at June 30, 1987 (2)	$ 686,525	$2,681,883	$3,368,408

(1) Detailed information for College and University Funds not available.

(2) Not adjusted for discounts or premiums.

Note 9 - Defeased Debt

Current Year's Debt Defeasance

During 1986, the following institutions obtained outside financing or additional financing through the Health and Educational Facilities Authority to advance refund and defease their revenue bonds issued through the Authority:

Trinity Lutheran Hospital, Series 1981
Freeman Hospital, Series 1983

In addition, a defeasance in a prior year relating to Lester E. Cox Medical Center was recognized during 1986.

Pursuant to the requirements of the bond loan agreements, the institutions have deposited into escrow trust accounts amounts sufficient to pay all remaining principal, interest and redemption premiums as they become due. The amounts so transferred are pledged solely for the holders of the outstanding bonds.

Prior Year's Debt Defeasance

In prior years, various bond issues were defeased by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the balance sheet.

Enterprise Fund - Board of Public Buildings - As of June 30, 1987, the amount of defeased debt outstanding but removed from the balance sheet amounted to $139,135,000.

Enterprise Fund - Health and Educational Facilities Authority - As of December 31, 1986, the amount of defeased debt outstanding but removed from the balance sheet amounted to $200,855,000.

Note 10 - Interfund Receivables and Payables

A summary of interfund receivables and payables at June 30, 1987 is shown below (in thousands of dollars):

Fund	Receivables	Payables
General:		
General Revenue	$ 22,381	$ 11,740
Federal	---	1,973
Revenue Sharing	1	---
Special Revenue:		
Professional Registration	---	56
Public Education	415	44
Conservation and Environmental Protection	255	509
Judicial Protection and Assistance	---	4
Agricultural and State Fair Fees	1	17
Social Assistance	1	29
Highways and Transportation	1	19,243
Unemployment and Workers' Compensation	31	975
Reimbursements and Other	---	91
Debt Service:		
Third State Building Bond Interest and Sinking	80	---
Capital Projects:		
State Road	15,191	684
Water Pollution Control	50	---
Third State Building	404	---
Enterprise:		
Missouri Veterans Homes	---	90
Missouri Rehabilitation Center	---	83
State Cancer Center	8	22
State Lottery	33	20,939
Commodity Council Merchandising	---	1
Internal Service:		
Office of Administration Revolving	---	35
Working Capital Revolving	---	47
Microfilming Service Revolving	---	1
General Government Revolving	---	7
Agency:		
State Retirement Contributions	10,652	10,652
Social Security Contributions	5,204	---
Program	3,308	1,735
Non-Expendable Trust:		
State Public School	292	---
Smith Memorial Endowment Trust	1	---
Expendable Trust:		
Agricultural Emergency	---	2
Babler State Park	---	2
Institution Gift Trust	1	1
Unclaimed Property	7	292
Unemployment Compensation	305	---
Pension and Insurance Trust:		
Missouri State Employees' Retirement System	7,311	---
Missouri State Employees' Medical Care and Life Insurance Program	3,341	---
College and University:		
Current - Unrestricted	2,060	1,493
Current - Restricted	43	117
Loan	37	20
Endowment and Similar	---	387
Agency	26	63
Plant	71	157
	$ 71,511	$ 71,511

Note 11 - Restatements

During fiscal year 1987, some funds have been reclassified and additional information became available which required the restatement of fund equity amounts (in thousands of dollars).

	General	Special Revenue	Enterprise	Internal Service	Agency and Trust	College and University
Fund Balances/Retained Earnings as Previously Reported, June 30, 1986	$320,595	$222,794	$ 612,493	$ 9,956	$1,595,695	$ 1,914,021
A.	---	---	263	---	---	---
B.	---	---	---	---	10	---
C.	84	---	---	---	---	---
D.	---	7,433	---	---	---	---
E.	---	3	---	---	---	---
F.	---	---	---	141	---	---
G.	---	(41,832)	---	---	---	---
H.	---	---	---	---	---	190
I.	---	---	---	---	---	169
Fund Balances/Retained Earnings as Restated, June 30, 1986	$320,679	$188,398	$ 612,756	$ 10,097	$1,595,705	$ 1,914,380

A. Restatement to capitalize fixed assets which were expensed in the prior year and to include revenues which were excluded in the prior years.

B. Restatement to record an investment excluded in the prior year.

C. Restatement to include interfund receivables which were excluded in the prior year.

D. Restatement to include federal government receivables which were excluded in the prior year.

E. Restatement to increase a liability which was understated at June 30, 1986.

F. Restatement to decrease liability which was overstated at June 30, 1986.

G. Restatement to reclassify unspent revenues as deferred revenues.

H. Restatement to reflect consolidation of Southwest Missouri State University and Southwest Missouri State University Development Corporation.

I. Restatement to decrease the amount of transfers which was overstated at June 30, 1986.

Note 12 - Prior Period Adjustments

During fiscal year 1987, the State acquired cost information on fixed assets and implemented a fixed assets system to maintain this information. A university also changed their method of valuing fixed assets. The implementation of the fixed assets system and the change in valuation method resulted in adjustments to the June 30, 1986 account balances as follows (in thousands of dollars):

	Increase (Decrease)					
	General Fixed Assets	Enterprise Funds	Internal Service Funds	Non-Expendable Trust Funds	College and University Funds	Total
Cost of Fixed Assets	$(337,470)	$ 5,493	$ 242	$ (5)	$ 135,554	$(196,186)
Accumulated Depreciation	—	1,650	96	(1)	—	1,745
Retained Earnings	—	3,843	146	(4)	—	3,985
Investment in Fixed Assets	(337,470)	—	—	—	—	(337,470)
Investment in Plant	—	—	—	—	135,554	135,554

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Note 13 - Segment Information for Enterprise Funds (In Thousands of Dollars)

The State has eighteen Enterprise Funds which provide various goods and services including: constructing and operating State park facilities, fairgrounds, historical properties and office buildings, providing financial assistance from the sale of revenue bonds for environmental needs, economic development, educational assistance and construction or renovation of health and educational facilities, hospital services, warehousing, merchandising, publishing maps and documents, and the operation of the State Lottery. It is intended that the costs of providing goods or services be financed through user charges and fees. Other Enterprise Funds include the Commodity Council Merchandising, State Fair Fees, Natural Resources Document Services, Historic Preservation Revolving, Industrial Development Board and Agriculture and Small Business Development Authority.

	State Parks	Missouri Veterans' Homes	Missouri Rehabilitation Center	Industrial Development Reserve	State Cancer Center	State Agency for Surplus Property
Operating Revenues	$ 2,748	$ 6,312	$ 7,513	$ ---	$ 5,564	$ 1,173
Depreciation	442	23	39	---	150	29
Operating Income (Loss)	538	194	(1,258)	---	(58)	23
Net Income (Loss)	356	194	(1,024)	---	(58)	197
Property, Plant and Equipment Additions	8	11	195	---	97	14
Net Working Capital	2,081	1,199	3,487	800	7,449	800
Total Assets	18,263	1,505	4,330	800	7,972	981
Bonds and Other Long-Term Liabilities Payable from Operating Revenues	2,970	162	---	---	---	25
Total Equity	14,796	1,090	3,643	800	7,663	902

Board of Public Buildings	Housing Development Commission	Higher Education Loan Authority	State Environmental Improvement and Energy Resources Authority	Health and Educational Facilities Authority	State Lottery	Other Enterprise Funds	Total Enterprise Funds
$ 29,141	$ 105,472	$ 6,796	$ 140	$ 544	$ 174,648	$ 2,541	$ 342,592
2,832	---	---	5	9	848	---	4,377
16,581	10,080	(3,528)	(475)	153	61,459	44	83,753
5,485	10,080	280	(265)	(154,064)	(27,067)	683	(165,203)
30,530	33	---	6	5	3,263	---	34,162
815	79,256	2,646	2,894	837	41,186	1,336	144,786
207,601	1,225,301	146,033	3,200	1,451,276	75,659	1,594	3,144,515
144,209	1,018,162	136,281	---	---	216	---	1,302,025
46,788	121,192	2,974	2,962	237,891	46,968	1,336	489,005

Note 14 - Deficit Fund Balances

The following funds have deficit fund balances at June 30, 1987.

General Fund - Federal - The deficit fund balance of $23,639,000 arises from reporting a current year payable and the related receivable for which asset recognition criteria has been met, but for which the revenue recognition criteria has not been met. Therefore, the above amount must be reported as a deferred revenue resulting in a deficit. The deficit will be eliminated as the deferred revenue becomes available.

Enterprise Fund - Agriculture and Small Business Development Authority - At June 30, 1987, a deficit fund balance of $157,000 existed, due to initial legal expenses. Net income is expected to increase over the future years and to gradually eliminate the deficit.

Note 15 - Commitments

A. Contracts

At June 30, 1987 the Department of Conservation had contracts outstanding of approximately $394,000 for land acquisition and $9,476,000 for construction contracts. These are funded through the Special Revenue Funds from specific sales tax, fees and permits.

The Department of Highways and Transportation had long-term contracts of $66,861,000 outstanding at June 30, 1987 with some performance expected during fiscal year 1988. These contracts are paid from Capital Projects Funds with approximately 70% Federal reimbursement expected.

The Division of Design and Construction, Office of Administration, has construction contracts outstanding at June 30, 1987 of $97,308,728. Approximately 70% of these contracts will be paid from Capital Projects Funds and 20% will be paid from the General Fund.

B. Leases

The State has entered into various operating leases for buildings and equipment. The operating leases are for 12 months or less with a renewal clause unless notice is given within 30 to 90 days to the lessor. Each lease contains a clause stating that renewal is dependent on appropriation funding by the State legislature. It is expected that in the normal course of operations most of these leases will be replaced by similar leases.

Note 16 - Contingent Liabilities

The State is involved in various claims and legal proceedings. In the opinion of the Office of Administration, based on the advice of the Attorney General and the Highway and Transportation Commission, the resolution of these proceedings will not have a material effect on the financial status of the State.

The State receives Federal grants which are subject to review and audit by Federal grantor agencies. This could result in requests for reimbursements to the grantor agency for any expenditures which are disallowed under grant terms. The State believes that such disallowances, if any, would be immaterial.

The State assumes its own liability for risks except for the purchase of surety bond, aircraft and boiler coverage.

Note 17 - Continuing Operations of the State Lottery

The State Lottery expenses, which include transfers to the General Revenue Fund, prize payments, retailer commissions, and general and administrative expenses, exceeded revenues by $27 million for the year ended June 30, 1987. This deficit was funded through reductions of retained earnings. The State Lottery operates under statutes which require a minimum of 45% of receipts to be transferred to the General Revenue Fund, a maximum of 45% for prizes, and a maximum of 10% for operation expenses. Because of these statutory requirements, the Lottery's audit report for the year ended June 30, 1987 questioned the Lottery's ability to alleviate the excess expenses over revenues which threatens its ability to continue operations once retained earnings are depleted. At June 30, 1987, the unreserved retained earnings were $24 million.

Note 18 - Subsequent Events

General Obligation Bonds - Advance Refunding

On August 19, 1987, the Board of Fund Commissioners issued $170,115,000 of Third State Building General Obligation Refunding Bonds, Series A 1987 and $49,715,000 of State Water Pollution Control General Obligation Refunding Bonds with interest rates ranging from 5.75% to 7.75%. The purpose was to advance refund bonds that had interest rates ranging from 7.80% to 11.1% and a final maturity date of March 1, 2010.

The Third State Building Refunding Bonds were issued for the purpose of advance refunding three series of outstanding general obligation Third State Building Bonds. The outstanding principal amounts at the time of refunding were as follows:

Note 18 - Subsequent Events (cont.)

Third State Building Bonds Series B 1983	$33,675,000
Third State Building Bonds Series A 1984	48,130,000
Third State Building Bonds Series A 1985	73,375,000

The State Water Pollution Control Refunding Bonds were issued for the purpose of advance refunding three series of outstanding general obligation State Water Pollution Control Bonds. The outstanding principal amounts at the time of refunding were as follows:

Water Pollution Control Bonds Series A 1981	$16,940,000
Water Pollution Control Bonds Series B 1983	9,625,000
Water Pollution Control Bonds Series A 1985	19,575,000

The proceeds of the Refunding Bonds will be expended in accordance with the provisions of two separate irrevocable Escrow Trust Agreements. Pursuant to the agreements, certain direct obligations of the U.S. were acquired by the escrow agent to provide debt service payments for the refunded bonds to their respective maturities or dates of redemption.

As a result of the advance refunding, the State reduced its total debt service requirements by $34,343,000 which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of $15,015,000.

General Obligation Bonds - New Issues

On November 17, 1987, the Board of Fund Commissioners sold $75,000,000 of Third State Building General Obligation Bonds, Series B 1987 and $35,000,000 of State Water Pollution Control General Obligation Bonds, Series B 1987. The bonds have interest rates ranging from 6.5% to 9.0% and a final maturity date of December 1, 2012.

Housing Development Commission - New Issues

Subsequent to June 30, 1987, the Housing Development Commission issued approximately $10,000,000 of Single-Family Mortgage Revenue Bonds (FHA insured mortgage loans) dated July 15, 1987 with interest rates ranging from 4.60% to 8.65%, due 1988-2009. The proceeds are to be used to purchase mortgage loans secured by first mortgages on owner-occupied single-family homes.

In addition, the Commission issued Single-Family Mortgage Revenue Bonds (GNMA Mortgage-Backed Securities Program) in the amount of $75,000,000, dated August 1, 1987, with an interest rate of 8.22%, due 1987-2017. The proceeds are to be used to purchase mortgage-backed GNMA securities, backed by certain qualifying mortgage loans for owner-occupied single-family homes.

The General Fund accounts for all financial resources except those to be accounted for in another fund.

STATE OF MISSOURI
BALANCE SHEET
GENERAL FUND
June 30, 1987
(In Thousands of Dollars)

	General Fund			Totals	
	General Revenue	Federal	Revenue Sharing	June 30, 1987	June 30, 1986
ASSETS					
Cash and Cash Equivalents	$399,840	$ 41,848	$ 661	$442,349	$486,242
Accounts Receivable	33,320	108,788	---	142,108	159,505
Interest Receivable	5,723	---	9	5,732	4,348
Due from Other Funds	22,381	---	1	22,382	13,547
Inventory	9,868	555	---	10,423	9,845
Total Assets	$471,132	$151,191	$ 671	$622,994	$673,487
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	$ 99,297	$105,484	$ 102	$204,883	$191,463
Accrued Payroll	24,360	287	---	24,647	30,324
Due to Other Funds	11,740	1,973	---	13,713	12,396
Deferred Revenue	25,555	67,086	2	92,643	118,625
Total Liabilities	160,952	174,830	104	335,886	352,808
Fund Balances:					
Reserved for Encumbrances	844	---	91	935	2,203
Reserved for Inventory	9,868	555	---	10,423	9,845
Reserved for Future Distribution	52,821	---	---	52,821	49,400
Reserved for Cash Operations	148,516	---	---	148,516	139,275
Reserved for Taxes	27,982	---	---	27,982	23,532
Unreserved:					
Designated for Encumbrances	38,650	---	23	38,673	19,088
Undesignated	31,499	(24,194)	453	7,758	77,336
Total Fund Balances	310,180	(23,639)	567	287,108	320,679
Total Liabilities and Fund Balances	$471,132	$151,191	$ 671	$622,994	$673,487

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUND
For the Fiscal Year Ended June 30, 1987
(In Thousands of Dollars)

	General Fund				Totals	
	General Revenue	Federal	Revenue Sharing	Eliminations	June 30, 1987	June 30, 1986
Revenues:						
Taxes	$2,709,795	$ 1	$ ---	$ ---	$2,709,796	$2,502,477
Licenses, Fees and Permits	44,111	---	---	---	44,111	40,081
Sales	2,176	1,356	---	---	3,532	3,585
Leases and Rentals	115	355	---	---	470	410
Services	56,169	---	---	---	56,169	47,240
Contributions and Intergovernmental	942	1,076,380	---	---	1,077,322	1,032,442
Interest, Penalties and Unclaimed Properties	29,918	5	63	---	29,986	44,754
Miscellaneous Revenues	8,124	966	---	---	9,090	10,609
Total Revenues	2,851,350	1,079,063	63	---	3,930,476	3,681,598
Expenditures:						
Current:						
General Government	231,852	2,138	30	---	234,020	200,266
Education	678,961	209,988	---	---	888,949	811,660
Natural and Economic Resources	61,008	104,371	---	---	165,379	107,928
Transportation and Law Enforcement	21,720	16,039	---	---	37,759	37,109
Human Services	966,570	731,422	---	---	1,697,992	1,600,900
Capital Outlay:						
Current Expenditures	65,178	5,475	729	---	71,382	57,376
Capital Lease Purchases	53,809	432	---	---	54,241	---
Total Expenditures	2,079,098	1,069,865	759	---	3,149,722	2,815,239
Excess Revenues (Expenditures)	772,252	9,198	(696)	---	780,754	866,359
Other Financing Sources (Uses):						
Proceeds from Capital Leases	53,809	432	---	---	54,241	---
Operating Transfers In	105,420	44	---	(382)	105,082	21,154
Operating Transfers Out	(974,269)	(338)	---	382	(974,225)	(900,652)
Total Other Financing Sources (Uses)	(815,040)	138	---	---	(814,902)	(879,498)
Excess Revenues and Other Sources (Expenditures and Other Uses)	(42,788)	9,336	(696)	---	(34,148)	(13,139)
Fund Balances - Beginning	352,542	(33,126)	1,263	---	320,679	333,389
Increase in Reserve for Inventory	426	151	---	---	577	429
Fund Balances - Ending	$ 310,180	$ (23,639)	$ 507	$ ---	$ 287,108	$ 320,679

The notes to the financial statements are an integral part of this statement.

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STATE OF MISSOURI
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended June 30, 1987
(In Thousands of Dollars)

	General Fund			General Federal		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Taxes:						
Sales and Use Tax	$ 1,085,500	$ 1,069,505	$ (15,995)	$ ---	$ ---	$ ---
Individual Income Tax	1,451,100	1,444,015	(7,085)	---	---	---
Corporate Income Tax	206,000	217,534	11,534	---	---	---
County Foreign Insurance Tax	111,000	116,506	5,506	---	---	---
Liquor Tax	19,500	17,285	(2,215)	---	---	---
Beer Tax	7,400	7,425	25	---	---	---
Corporation Franchise Tax	48,700	48,298	(402)	---	---	---
Inheritance Tax	33,000	32,774	(226)	---	---	---
Miscellaneous Taxes	12,595	17,719	5,124	---	1	1
Taxes	2,974,795	2,971,061	(3,734)	---	1	1
Licenses, Fees and Permits	48,840	44,037	(4,803)	---	---	---
Sales	2,960	2,189	(771)	---	1,356	1,356
Leases and Rentals	---	115	115	---	355	355
Services	59,200	53,429	(5,771)	---	---	---
Contributions and Intergovernmental	2,960	2,230	(730)	1,241,086	1,070,098	(170,988)
Interest, Penalties and Unclaimed Properties	28,000	30,288	2,288	---	5	5
Miscellaneous Revenues	21,445	29,553	8,108	---	21,923	21,923
Total Revenues	3,138,200	3,132,902	(5,298)	1,241,086	1,093,738	(147,348)
Expenditures:						
Current:						
General Government	690,909	647,278	43,631	2,919	2,376	543
Education	539,157	518,467	20,690	235,880	208,388	27,492
Natural and Economic Resources	68,106	55,049	13,057	171,604	103,021	68,583
Transportation and Law Enforcement	22,471	20,106	2,365	27,411	17,135	10,276
Human Services	941,513	902,137	39,376	764,375	742,433	22,442
Capital Outlay	136,511	31,331	105,180	18,419	193	18,226
Total Expenditures	2,398,667	2,174,368	224,299	1,221,108	1,073,546	147,562
Excess Revenues (Expenditures)	739,533	958,534	219,001	19,978	20,192	214
Other Financing Sources (Uses):						
Operating Transfers In	117,881	89,598	(28,283)	---	63	63
Operating Transfers Out	(1,100,749)	(1,097,609)	3,140	(9,896)	(21,819)	(11,923)
Total Other Financing Sources (Uses):	(982,868)	(1,008,011)	(25,143)	(9,896)	(21,756)	(11,860)
Excess Revenues and Other Sources (Expenditures and Other Uses)	(243,335)	(49,477)	193,858	10,082	(1,564)	(11,646)
Fund Balances - Beginning	352,539	352,539	---	(16,219)	(16,219)	---
Fund Balances - Ending	$ 109,204	$ 303,062	$ 193,858	$ (6,137)	$ (17,783)	$ (11,646)

Fund	Revenue Sharing			Eliminations			Totals		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ 1,085,500	$ 1,069,505	$ (15,995)
	---	---	---	---	---	---	1,451,100	1,444,015	(7,085)
	---	---	---	---	---	---	206,000	217,534	11,534
	---	---	---	---	---	---	111,000	116,506	5,506
	---	---	---	---	---	---	19,500	17,285	(2,215)
	---	---	---	---	---	---	7,400	7,425	25
	---	---	---	---	---	---	48,700	48,298	(402)
	---	---	---	---	---	---	33,000	32,774	(226)
	---	---	---	---	---	---	12,595	17,720	5,125
	---	---	---	---	---	---	2,974,795	2,971,062	(3,733)
	---	---	---	---	---	---	48,840	44,037	(4,803)
	---	---	---	---	---	---	2,960	3,545	585
	---	---	---	---	---	---	---	470	470
	---	---	---	---	---	---	59,200	53,429	(5,771)
	---	---	---	---	---	---	1,244,046	1,072,328	(171,718)
	85	66	(19)	---	---	---	28,085	30,359	2,274
	---	---	---	---	---	---	21,445	51,476	30,031
	85	66	(19)	---	---	---	4,379,371	4,226,706	(152,665)
	---	---	---	---	---	---	693,828	649,654	44,174
	---	---	---	---	---	---	775,037	726,855	48,182
	---	---	---	---	---	---	239,710	158,070	81,640
	---	---	---	---	---	---	49,882	37,241	12,641
	---	---	---	---	---	---	1,706,388	1,644,570	61,818
	1,230	696	534	---	---	---	156,160	32,220	123,940
	1,230	696	534	---	---	---	3,621,005	3,248,610	372,395
	(1,145)	(630)	515	---	---	---	758,366	978,096	219,730
	---	---	---	---	(382)	(382)	117,881	89,279	(28,602)
	---	---	---	---	382	382	(1,110,645)	(1,119,046)	(8,401)
	---	---	---	---	---	---	(992,764)	(1,029,767)	(37,003)
	(1,145)	(630)	515	---	---	---	(234,398)	(51,671)	182,727
	1,189	1,189	---	---	---	---	337,509	337,509	---
	$ 44	$ 559	$ 515	$ ---	$ ---	$ ---	$ 103,111	$ 285,838	$ 182,727

The notes to the financial statements are an integral part of this schedule.

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The Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The State has numerous individual Special Revenue Funds, therefore, the funds have been combined into specific functional areas.

Professional Registration: Provides for the control and regulation of various professions by boards established for this purpose. Each board has its own fund to account for its operation.

Board of Accountancy
Board of Barber Examiners
Board of Podiatry
Board of Chiropractic Examiners
Board of Cosmetology
Board of Embalmers and Funeral Directors
Board of Registration for Healing Arts
Board of Nursing
Board of Optometry
Board of Pharmacy
Missouri Real Estate Commission
Veterinary Board
Committee of Professional Counselors
Dental Board
State Board of Architects, Engineers and Land Surveyors
Athletic
Professional Registration Fees

Public Education: Provides general and special education needs of the State and other related areas such as library services and student loans.

State School Money - Accounts for funds distributed to public school districts.

Educational Improvement - Accounts for moneys from the Department of Elementary and Secondary Education and is used for school foundation money for children placed in Division of Youth Services' custody.

State Seminary Money - Accounts for interest earnings to be spent for maintenance of the State university.

State Library - Accounts for federal moneys to be spent for State libraries.

State Guaranty Student Loan - Accounts for funds from any source to assist students in financing their education.

Excellence in Education - Accounts for moneys to be spent for education programs.

Missouri Prospective Teachers Loan - Accounts for funds from any source to assist students in financing their education to become teachers.

Fair Share - Accounts for additional tax on cigarettes for distribution to schools.

School District Trust - Accounts for sales tax moneys to be distributed to the public school districts of the State.

Conservation and Environmental Protection: Provides for the preservation of the State's wildlife and environment.

Conservation Commission - Accounts for fees and a special sales tax used to administer laws and regulations pertaining to forestry and wildlife resources.

Parks Sales Tax - Accounts for sales tax moneys spent to control, manage and regulate State parks.

Soil and Water Sales Tax - Accounts for sales tax moneys used for the conservation and management of the soil and water resources of the State.

Clean Water Commission - Accounts for fees collected for construction or operating permits and is used to administer and enforce the Missouri Clean Water Laws.

Water Well Drillers - Accounts for fees collected for permits and is used for the administration and enforcement of water well drillers' laws.

State Land Survey Program - Accounts for fees collected from State recorders and used for land survey programs.

Petroleum Violation Escrow - Accounts for fines collected from petroleum companies for petroleum violations and is used for energy programs.

Hazardous Waste - Accounts for moneys from fees and permits and from any other source for hazardous waste management and cleanup.

Safe Drinking Water - Accounts for fees and grants from any source for the administration of safe drinking water laws.

Coal Mine Land Reclamation - Accounts for fees assessed on the amount of coal processed and is used to restore the land.

Hazardous Waste Remedial - Accounts for moneys from fees, penalties and from any other source for administering hazardous waste services.

Missouri Air Pollution Control - Accounts for fees collected from automobile emissions inspection stations and is used for air pollution control programs.

Meramec-Onondaga State Parks - Accounts for proceeds from the sale of this land by the Federal government and is used for the support and maintenance of these parks by the State.

Oil and Gas Remedial - Accounts for the proceeds from the sale of illegal oil products and is used for the costs of administering these laws.

Mined Land Reclamation - Accounts for fees, forfeiture of bonds, penalties and gifts and is used for the administration and enforcement of these laws.

Judicial Protection and Assistance: Provides for the protection of public employees by the Attorney General's Office, the conviction of criminal offenders by prosecuting attorneys and the assistance to victims of criminal offenses.

Attorney General's Court Costs - Accounts for moneys from general revenues used for paying court costs incurred in any case in which it is the duty of the Attorney General to be involved.

Missouri Prosecuting Attorney - Accounts for specific fees assessed as costs in most criminal cases. The moneys are used to reimburse political subdivisions for certain costs.

Merchandising Practices Revolving - Accounts for general revenues and moneys required to be deposited in this fund. These moneys are used to pay costs incurred by the Attorney General in cases concerning merchandising practices.

Attorney General's Anti-Trust - Accounts for general revenues and moneys required by law to be deposited in this fund. These moneys are used to pay all costs incurred by the Attorney General in cases concerning anti-trust laws.

Legal Defense and Defender - Accounts for moneys from services rendered. The moneys are used for training public defenders and for other lawful expenses as authorized by the public defender commission.

Criminal Record System - Accounts for fees collected from federal and nonstate of Missouri agencies for administering criminal history record information and fingerprint searches.

Missouri Office of Prosecution Services - Accounts for fees assessed as costs in most criminal proceedings. These moneys are used to assist the prosecuting attorneys throughout the State in their efforts against criminal activity.

Crime Victims' Compensation - Accounts for fees assessed as costs against a convicted criminal. These moneys are used to compensate victims of crime.

State Legal Expense - Accounts for general revenues, conservation moneys or highway revenues used to pay claims incurred against State departments or their employees.

Agricultural and State Fair Fees: Provides for inspections of products, market development and awards for competition at the State fair.

Apple Merchandising - Accounts for fees imposed on apples grown in the State which are sold for consumption. These moneys are used only for the costs of administering and enforcing laws concerning apple merchandising.

Milk Inspection Fees - Accounts for fees received from State milk inspection and used to pay the costs of performing such inspection.

Grain Inspection Fees - Accounts for fees received for providing grain inspection services and is used to pay the cost of providing this service.

Marketing Development - Accounts for moneys received by the Department of Agriculture from any source to be spent for marketing development only.

State Fair Trust - Accounts for money received as gifts, grants, legacies or devises and is used as prizes to the winners of five-gaited saddle horse stakes at the State Fair.

Social Assistance: Provides services to children and to the physically handicapped and provides health services to others.

Children's Service Commission - Accounts for gifts and grants from various sources to be spent for children's services as provided by law.

University of Missouri Hospital - Title XIX Matching - Accounts for money received from the University of Missouri Hospital and is used for hospital care under Title XIX of the Social Security Act.

Blind Pension - Accounts for State property tax moneys used to provide a pension to certain blind people.

Department of Health - Donated - Accounts for moneys received from donations and spent for the arthritis program.

Missouri Disaster - Funds may be appropriated annually to the State emergency management agency and expended by the governor upon the issuance of an emergency declaration.

Children's Trust - Accounts for grants or gifts from any source to pay the administrative costs of and for establishing programs to prevent or alleviate child abuse or neglect.

Highways and Transportation: Provides transportation services, road construction and maintenance and the enforcement of vehicle laws and traffic safety.

Grade Crossing - Accounts for fifty percent of the taxes on car rentals by freight line companies and is used to construct safe crossings of roads with railroad tracks.

Highway Department - Accounts for fees paid by highway users and is used to operate the Highway Commission, Highway Department and to administer and enforce State motor vehicle laws or traffic regulations.

Railroad Expense - Accounts for assessments used to administer and enforce railroad regulations.

Motor Fuel Tax - Accounts for motor fuel taxes to be distributed to other governments and to the Highway Department funds.

Highway Patrol Academy - Accounts for fees charged for the training of peace officers and is used solely for the maintenance and operations of the Highway Patrol Academy.

State Transportation - Accounts for moneys from sales taxes and other sources to be used for State transportation purposes other than construction or maintenance of roads.

Highway Patrol Motor Vehicle Revolving - Accounts for proceeds from government agencies to be used solely for the purchase of Highway Patrol vehicles.

Aviation Trust - Accounts for fuel taxes not refunded to the users of fuel used in aircraft engines. These moneys are used as matching funds for the preventive maintenance of runways, taxiways, aprons and safety-related items.

Unemployment and Workers' Compensation: Provides for the administration of these laws and benefits to workers who qualify for workers' compensation.

Workers' Compensation - Accounts for taxes paid by insurance carriers and is used for victims of industrial injuries.

Workers' Compensation - Second Injury - Accounts for taxes paid by insurance carriers and is used for victims of industrial injuries where permanent disability occurs.

Unemployment Compensation Administration - Accounts for moneys from the State or Federal government and any other source used solely for the administration of the unemployment compensation laws.

Special Employment Security - Accounts for moneys paid as interest and penalties by the employer for unemployment fees not paid. These moneys are used to pay interest on advances from the Federal government and for expenditures necessary and proper under the unemployment compensation laws.

Reimbursements and Other: Provides various reimbursements of costs to other governments and various regulatory commissions not included in other functional areas.

Political Subdivision Reimbursement - Accounts for fees assessed as costs in criminal proceedings. These moneys are used to reimburse political subdivisions for certain costs.

Public Service Commission - Accounts for moneys assessed on public utilities to pay the expenditures of this commission which regulates them.

County Officers Compensation - Accounts for moneys assessed as costs in certain criminal and civil proceedings. These moneys are used to reimburse each county for certain costs.

Department of Revenue Information - Accounts for fees received by the Department of Revenue for publications and used to pay the costs of providing this information.

Insurance Examiners' Sick Leave - Accounts for fees assessed against domestic insurers who pay premium taxes on insurance business in the State. The money is used to pay insurance examiners who are temporarily unable, due to illness or injury, to continue an examination of an insurance company.

Missouri Horse Racing - Accounts for moneys received from the licensing of race tracks, authorization of races and pari-mutual wagering pools. These moneys are used for the operation of the Horse Racing Commission.

State Elections Subsidy - Accounts for moneys appropriated by the General Assembly for making advance payments of election costs as required by law.

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STATE OF MISSOURI
COMBINING BALANCE SHEET
ALL SPECIAL REVENUE FUNDS
June 30, 1987
(In Thousands of Dollars)

	Professional Registration	Public Education	Conservation and Environmental Protection	Judicial Protection and Assistance
ASSETS				
Cash and Cash Equivalents	$ 7,684	$ 101,729	$ 133,033	$ 742
Accounts Receivable	---	16,079	1,123	---
Interest Receivable	---	912	1,313	1
Due from Other Funds	---	415	255	---
Inventory	19	8	525	---
Total Assets	$ 7,703	$ 119,143	$ 136,249	$ 743
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	$ 302	$ 14,879	$ 7,542	$ 184
Accrued Payroll	31	12	459	---
Due to Other Funds	56	44	509	4
Deferred Revenue	---	4,704	60,476	---
Total Liabilities	389	19,639	68,986	188
Fund Balances:				
Reserve for Encumbrances	---	---	420	---
Reserved for Inventory	19	8	525	---
Unreserved:				
Designated for Encumbrances	16	9	9,517	---
Undesignated	7,279	99,487	56,801	555
Total Fund Balances	7,314	99,504	67,263	555
Total Liabilities and Fund Balances	$ 7,703	$ 119,143	$ 136,249	$ 743

Agricultural and State Fair Fees	Social Assistance	Highways and Transportation	Unemployment and Workers' Compensation	Reimbursements and Other	Totals June 30, 1987	Totals June 30, 1986
$ 1,589	$ 3,671	$ 20,696	$ 28,327	$ 5,151	$302,622	$249,173
279	—	20,627	2,355	42	40,505	42,575
7	7	—	206	—	2,446	1,324
1	1	1	31	—	704	2,625
1	—	897	289	16	1,755	1,530
$ 1,877	$ 3,679	$ 42,221	$ 31,208	$ 5,209	$348,032	$297,227
$ 203	$ 1,623	$ 8,710	$ 2,410	$ 371	$ 36,224	$ 31,111
28	5	956	1,778	14	3,283	4,561
17	29	19,243	975	91	20,968	20,476
1	1	—	611	43	65,836	52,681
249	1,658	28,909	5,774	519	126,311	108,829
—	—	—	34	—	454	2,007
1	—	897	289	16	1,755	1,530
1,438	—	3,285	3,177	170	17,612	8,397
189	2,021	9,130	21,934	4,504	201,900	176,464
1,628	2,021	13,312	25,434	4,690	221,721	188,398
$ 1,877	$ 3,679	$ 42,221	$ 31,208	$ 5,209	$348,032	$297,227

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 1987
(In Thousands of Dollars)

	Professional Registration	Public Education	Conservation and Environmental Protection	Judicial Protection and Assistance
Revenues:				
Taxes	$ ---	$ 437,438	$ 86,464	$ ---
Licenses, Fees and Permits	7,288	3,329	17,973	577
Sales	2	---	2,433	---
Leases and Rentals	---	---	136	---
Contributions and Intergovernmental	---	26,599	7,102	---
Interest, Penalties and Unclaimed Properties	---	5,349	9,318	2,595
Miscellaneous Revenues	---	24	246	33
Total Revenues	7,290	472,739	123,672	3,205
Expenditures:				
Current:				
General Government	218	28	545	4,198
Education	---	1,368,449	---	---
Natural and Economic Resources	5,510	---	66,490	1,586
Transportation and Law Enforcement	---	---	267	50
Human Services	---	173	343	---
Capital Outlay:				
Current Expenditures	136	52	34,635	36
Capital Lease Purchases	---	---	---	---
Total Expenditures	5,864	1,368,702	102,280	5,870
Excess Revenues (Expenditures)	1,426	(895,963)	21,392	(2,665)
Other Financing Sources (Uses):				
Proceeds from Capital Leases	---	---	---	---
Operating Transfers In	---	904,137	---	2,869
Operating Transfers Out	(552)	(2,800)	(589)	---
Total Other Financing Sources (Uses)	(552)	901,337	(589)	2,869
Excess Revenues and Other Sources (Expenditures and Other Uses)	874	5,374	20,803	204
Fund Balances - Beginning	6,445	94,126	46,228	351
Increase (Decrease) in Reserve for Inventory	(5)	4	232	---
Fund Balances - Ending	$ 7,314	$ 99,504	$ 67,263	$ 555

Agricultural and State Fair Fees	Social Assistance	Highways and Transportation	Unemployment and Workers' Compensation	Reimbursements and Other	Totals June 30, 1987	Totals June 30, 1986
$ 364	$ 9,870	$ 325,020	$ 17,259	$ 35	$ 876,450	$ 835,263
3,372	---	198,336	---	7,274	238,149	230,919
---	2	2,020	28	1,894	6,379	5,259
---	---	---	---	---	136	131
---	4,841	42	58,690	113	97,387	88,218
37	34	148	1,931	1,868	21,280	16,210
---	7	236	310	41	897	700
3,773	14,754	525,802	78,218	11,225	1,240,678	1,176,700
4	144	94,388	446	3,201	103,172	80,444
---	---	---	---	---	1,368,449	1,266,495
3,471	---	3,945	73,574	7,578	162,154	138,884
---	4,823	147,430	---	---	152,570	154,741
---	11,878	112	---	---	12,506	10,298
96	11	9,067	2,338	240	46,611	34,157
---	---	341	---	---	341	---
3,571	16,856	255,283	76,358	11,019	1,845,803	1,685,019
202	(2,102)	270,519	1,860	206	(605,125)	(508,319)
---	---	341	---	---	341	---
---	2,367	---	---	764	910,137	854,345
---	(1,139)	(267,175)	---	---	(272,255)	(273,707)
---	1,228	(266,834)	---	764	638,223	580,638
202	(874)	3,685	1,860	970	33,098	72,319
1,426	2,895	9,461	23,756	3,710	188,398	116,122
---	---	166	(182)	10	225	(43)
$ 1,628	$ 2,021	$ 13,312	$ 25,434	$ 4,690	$ 221,721	$ 188,398

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
BUDGETED SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 1987
(In Thousands of Dollars)

	Professional Registration			Public Education		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Taxes:						
Sales and Use Tax	$ ---	$ ---	$ ---	$ 354,875	$ 357,057	$ 2,182
Cigarette Tax	---	---	---	81,448	82,698	1,250
Miscellaneous Taxes	---	---	---	---	---	---
Taxes	---	---	---	436,323	439,755	3,432
Licenses, Fees and Permits	8,744	7,299	(1,445)	5,143	3,330	(1,813)
Sales	2	2	---	---	---	---
Leases and Rentals	---	---	---	---	---	---
Contributions and Intergovernmental	---	---	---	40,650	25,354	(15,296)
Interest, Penalties and Unclaimed Properties	---	---	---	6,418	5,286	(1,132)
Miscellaneous Revenues	1	---	(1)	3,042	2,001	(1,041)
Total Revenues	8,747	7,301	(1,446)	491,576	475,726	(15,850)
Expenditures:						
Current:						
General Government	218	218	---	28	28	---
Education	---	---	---	1,410,896	1,368,859	42,037
Natural and Economic Resources	5,447	5,013	434	---	---	---
Transportation and Law Enforcement	---	---	---	---	---	---
Human Services	---	---	---	---	---	---
Capital Outlay	---	---	---	---	---	---
Total Expenditures	5,665	5,231	434	1,410,924	1,368,887	42,037
Excess Revenues (Expenditures)	3,082	2,070	(1,012)	(919,348)	(893,161)	26,187
Other Financing Sources (Uses):						
Operating Transfers In	---	---	---	911,511	904,137	(7,374)
Operating Transfers Out	(1,488)	(1,169)	319	(2,972)	(3,137)	(165)
Total Other Financing Sources (Uses)	(1,488)	(1,169)	319	908,539	901,000	(7,539)
Excess Revenues and Other Sources (Expenditures and Other Uses)	1,594	901	(693)	(10,809)	7,839	18,648
Fund Balances - Beginning	6,392	6,392	---	77,197	77,197	---
Fund Balances - Ending	$ 7,986	$ 7,293	$ (693)	$ 66,388	$ 85,036	$ 18,648

Conservation and Environmental Protection			Judicial Protection and Assistance		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
$ 86,721	$ 85,980	$ (741)	$ ---	$ ---	$ ---
---	---	---	---	---	---
765	974	209	---	---	---
87,486	86,954	(532)	---	---	---
18,187	18,069	(118)	403	541	138
2,726	2,684	(42)	---	---	---
150	137	(13)	---	---	---
7,131	7,125	(6)	---	---	---
3,933	4,141	208	1,593	1,486	(107)
251	289	38	35	35	---
119,864	119,399	(465)	2,031	2,062	31
903	710	193	583	388	195
---	---	---	---	---	---
87,465	61,539	25,926	1,686	1,573	113
292	270	22	50	50	---
100	97	3	---	---	---
46,253	26,694	19,559	---	---	---
135,013	89,310	45,703	2,319	2,011	308
(15,149)	30,089	45,238	(288)	51	339
---	---	---	244	138	(106)
(9,064)	(6,478)	2,586	---	(43)	(43)
(9,064)	(6,478)	2,586	244	95	(149)
(24,213)	23,611	47,824	(44)	146	190
42,178	42,178	---	202	202	---
$ 17,965	$ 65,789	$ 47,824	$ 158	$ 348	$ 190

This schedule is continued on pages 61 - 63.

The notes to the financial statements are an integral part of this schedule.

	Agricultural and State Fair Fees			Social Assistance		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Taxes:						
Sales and Use Tax	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---
Cigarette Tax	---	---	---	---	---	---
Miscellaneous Taxes	310	364	54	9,900	9,872	(28)
Taxes	310	364	54	9,900	9,872	(28)
Licenses, Fees and Permits	4,006	3,343	(663)	---	---	---
Sales	---	---	---	---	---	---
Leases and Rentals	---	---	---	---	---	---
Contributions and Intergovernmental	---	---	---	---	---	---
Interest, Penalties and Unclaimed Properties	44	33	(11)	---	---	---
Miscellaneous Revenues	1	1	---	50	49	(1)
Total Revenues	4,361	3,741	(620)	9,950	9,921	(29)
Expenditures:						
Current:						
General Government	4	4	---	---	---	---
Education	---	---	---	---	---	---
Natural and Economic Resources	4,488	3,350	1,138	---	---	---
Transportation and Law Enforcement	---	---	---	---	---	---
Human Services	---	---	---	10,644	10,577	67
Capital Outlay	---	---	---	---	---	---
Total Expenditures	4,492	3,354	1,138	10,644	10,577	67
Excess Revenues (Expenditures)	(131)	387	518	(694)	(656)	38
Other Financing Sources (Uses):						
Operating Transfers In	---	---	---	1,600	1,138	(462)
Operating Transfers Out	(236)	(225)	11	(1,600)	(1,195)	405
Total Other Financing Sources (Uses)	(236)	(225)	11	---	(57)	(57)
Excess Revenues and Other Sources (Expenditures and Other Uses)	(367)	162	529	(694)	(713)	(19)
Fund Balances - Beginning	1,180	1,180	---	2,421	2,421	---
Fund Balances - Ending	$ 813	$ 1,342	$ 529	$ 1,727	$ 1,708	$ (19)

Highways and Transportation			Unemployment and Workers' Compensation		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
$ 22,274	$ 22,870	$ 596	$ ---	$ ---	$ ---
---	---	---	---	---	---
675	601	(74)	18,467	18,470	3
22,949	23,471	522	18,467	18,470	3
119,558	123,092	3,534	---	---	---
2,100	2,020	(80)	26	28	2
---	---	---	---	---	---
55	79	24	272	277	5
142	148	6	1,853	1,866	13
433	455	22	203	204	1
145,237	149,265	4,028	20,821	20,845	24
39,599	39,173	426	1,716	1,671	45
---	---	---	---	---	---
4,005	3,707	298	20,643	16,031	4,612
123,184	118,562	4,622	---	---	---
101	96	5	---	---	---
7,512	857	6,655	---	---	---
174,401	162,395	12,006	22,359	17,702	4,657
(29,164)	(13,130)	16,034	(1,538)	3,143	4,681
156,602	158,560	1,958	---	---	---
(11,320)	(158,122)	(146,802)	(1,274)	(922)	352
145,282	438	(144,844)	(1,274)	(922)	352
116,118	(12,692)	(128,810)	(2,812)	2,221	5,033
14,277	14,277	---	22,204	22,204	---
$ 130,395	$ 1,585	$ (128,810)	$ 19,392	$ 24,425	$ 5,033

This schedule is continued on page 63.

The notes to the financial statements are an integral part of this schedule.

	Reimbursements and Other			Totals		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Taxes:						
Sales and Use Tax	$ 9	$ 18	$ 9	$ 463,879	$ 465,925	$ 2,046
Cigarette Tax	---	---	---	81,448	82,698	1,250
Miscellaneous Taxes	---	---	---	30,117	30,281	164
Taxes	9	18	9	575,444	578,904	3,460
Licenses, Fees and Permits	7,248	7,250	2	163,289	162,924	(365)
Sales	1,041	1,900	859	5,895	6,634	739
Leases and Rentals	---	---	---	150	137	(13)
Contributions and Intergovernmental	119	119	---	48,227	32,954	(15,273)
Interest, Penalties and Unclaimed Properties	---	---	---	13,983	12,960	(1,023)
Miscellaneous Revenues	37	34	(3)	4,053	3,068	(985)
Total Revenues	8,454	9,321	867	811,041	797,581	(13,460)
Expenditures:						
Current:						
General Government	420	411	9	43,471	42,603	868
Education	---	---	---	1,410,896	1,368,859	42,037
Natural and Economic Resources	8,451	6,750	1,701	132,185	97,963	34,222
Transportation and Law Enforcement	---	---	---	123,526	118,882	4,644
Human Services	---	---	---	10,845	10,770	75
Capital Outlay	---	---	---	53,765	27,551	26,214
Total Expenditures	8,871	7,161	1,710	1,774,688	1,666,628	108,060
Excess Revenues (Expenditures)	(417)	2,160	2,577	(963,647)	(869,047)	94,600
Other Financing Sources (Uses):						
Operating Transfers In	---	---	---	1,069,957	1,063,973	(5,984)
Operating Transfers Out	(1,448)	(1,058)	390	(29,402)	(172,349)	(142,947)
Total Other Financing Sources (Uses)	(1,448)	(1,058)	390	1,040,555	891,624	(148,931)
Excess Revenues and Other Sources (Expenditures and Other Uses)	(1,865)	1,102	2,967	76,908	22,577	(54,331)
Fund Balances - Beginning	3,483	3,483	---	169,534	169,534	---
Fund Balances - Ending	$ 1,618	$ 4,585	$ 2,967	$ 246,442	$ 192,111	$ (54,331)

The notes to the financial statements are an integral part of this schedule.

Debt Service Funds account for the accumulation of resources for and the payment of general long-term debt principal and interest.

Water Pollution Control Bond and Interest - Accounts for the money used to pay the principal of the Water Pollution Control Bonds and the interest thereon.

Third State Building Bond Interest and Sinking - Accounts for the money used to pay the principal of the Third State Building Bonds and the interest thereon.

STATE OF MISSOURI
COMBINING BALANCE SHEET
ALL DEBT SERVICE FUNDS
June 30, 1987
(In Thousands of Dollars)

	Water Pollution Control Bond and Interest	Third State Building Bond Interest and Sinking	Totals June 30, 1987	Totals June 30, 1986
ASSETS				
Cash and Cash Equivalents	$ 19,554	$ 53,115	$ 72,669	$ 53,230
Interest Receivable	556	525	1,081	578
Due from Other Funds	---	80	80	20
Total Assets	$ 20,110	$ 53,720	$ 73,830	$ 53,828
LIABILITIES AND FUND BALANCES				
Liabilities:				
Deferred Revenue	$ 290	$ 80	$ 370	$ 309
Matured Bonds Payable	---	---	---	200
Matured Interest Payable	281	780	1,061	648
Total Liabilities	571	860	1,431	1,157
Fund Balances:				
Reserved for Debt Service	19,539	52,860	72,399	52,671
Total Fund Balances	19,539	52,860	72,399	52,671
Total Liabilities and Fund Balances	$ 20,110	$ 53,720	$ 73,830	$ 53,828

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL DEBT SERVICE FUNDS
For the Fiscal Year Ended June 30, 1987
(In Thousands of Dollars)

	Water Pollution Control Bond and Interest	Third State Building Bond Interest and Sinking	Totals June 30, 1987	Totals June 30, 1986
Revenues:				
Interest	$ 1,230	$ 2,880	$ 4,110	$ 2,864
Total Revenues	1,230	2,880	4,110	2,864
Expenditures:				
Debt Service:				
Principal	4,650	2,745	7,395	6,595
Interest	10,568	30,902	41,470	26,105
Total Expenditures	15,218	33,647	48,865	32,700
Excess Revenues (Expenditures)	(13,988)	(30,767)	(44,755)	(29,836)
Other Financing Sources:				
Operating Transfers In	16,152	48,331	64,483	46,549
Total Other Financing Sources	16,152	48,331	64,483	46,549
Excess Revenues and Other Sources (Expenditures)	2,164	17,564	19,728	16,713
Fund Balances - Beginning	17,375	35,296	52,671	35,958
Fund Balances - Ending	$ 19,539	$ 52,860	$ 72,399	$ 52,671

The notes to the financial statements are an integral part of this statement.

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STATE OF MISSOURI
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
ALL DEBT SERVICE FUNDS
For the Fiscal Year Ended June 30, 1987
(In Thousands of Dollars)

	Water Pollution Control Bond and Interest		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Interest	$ ---	$ 1,051	$ 1,051
Total Revenues	---	1,051	1,051
Expenditures:			
Debt Service	16,047	15,218	829
Total Expenditures	16,047	15,218	829
Excess Revenues (Expenditures)	(16,047)	(14,167)	1,880
Other Financing Sources:			
Operating Transfers In	19,368	16,153	(3,215)
Total Other Financing Sources	19,368	16,153	(3,215)
Excess Revenues and Other Sources (Expenditures)	3,321	1,986	(1,335)
Fund Balances - Beginning	17,287	17,287	---
Fund Balances - Ending	$ 20,608	$ 19,273	$ (1,335)

Third State Building Bond Interest and Sinking			Totals		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
$ ---	$ 2,556	$ 2,556	$ ---	$ 3,607	$ 3,607
---	2,556	2,556	---	3,607	3,607
33,648	33,647	1	49,695	48,865	830
33,648	33,647	1	49,695	48,865	830
(33,648)	(31,091)	2,557	(49,695)	(45,258)	4,437
51,584	48,331	(3,253)	70,952	64,484	(6,468)
51,584	48,331	(3,253)	70,952	64,484	(6,468)
17,936	17,240	(696)	21,257	19,226	(2,031)
35,094	35,094	---	52,381	52,381	---
$ 53,030	$ 52,334	$ (696)	$ 73,638	$ 71,607	$ (2,031)

The notes to the financial statements are an integral part of this schedule.

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Capital Projects Funds account for financial resources to be used for the acquisition or construction of major capital facilities.

Natural Resources Land and Water - Accounts for Federal grant moneys used to finance local recreation projects.

State Road - Accounts for revenues from highway user's fees and Federal reimbursements for highway projects. Expenditures are for the purpose of constructing and maintaining an adequate system of State highways.

Water Pollution Control - Accounts for bond sale proceeds to be used for the protection of the environment through the control of water pollution.

Third State Building - Accounts for bond sale proceeds to be used for improvements of State buildings and property including State parks.

STATE OF MISSOURI
COMBINING BALANCE SHEET
ALL CAPITAL PROJECTS FUNDS
June 30, 1987
(In Thousands of Dollars)

	Natural Resources Land and Water	State Road	Water Pollution Control	Third State Building	Totals June 30, 1987	Totals June 30, 1986
ASSETS						
Cash and Cash Equivalents	$ 240	$ 36,671	$ 26,185	$231,740	$294,836	$ 99,115
Accounts Receivable	---	32,482	---	---	32,482	32,679
Interest Receivable	---	447	323	2,619	3,389	853
Due from Other Funds	---	15,191	50	404	15,645	14,436
Inventory	---	31,428	---	---	31,428	30,816
Total Assets	$ 240	$116,219	$ 26,558	$234,763	$377,780	$177,899
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable	$ ---	$ 39,303	$ ---	$ 29,543	$ 68,846	$ 82,309
Accrued Payroll	---	451	---	22	473	910
Due to Other Entities	---	70	---	4	74	54
Due to Other Funds	---	684	---	---	684	715
Deferred Revenue	---	96	71	501	668	3,452
Total Liabilities	---	40,604	71	30,070	70,745	87,440
Fund Balances:						
Reserved for Encumbrances	---	---	---	81,903	81,903	7,183
Reserved for Inventory	---	31,428	---	---	31,428	30,816
Unreserved:						
Designated for Encumbrances	52	3	35,563	---	35,618	841
Undesignated	188	44,184	(9,076)	122,790	158,086	51,619
Total Fund Balances	240	75,615	26,487	204,693	307,035	90,459
Total Liabilities and Fund Balances	$ 240	$116,219	$ 26,558	$234,763	$377,780	$177,899

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL CAPITAL PROJECTS FUNDS
For the Fiscal Year Ended June 30, 1987
(In Thousands of Dollars)

	Natural Resources Land and Water	State Road	Water Pollution Control	Third State Building	Totals June 30, 1987	Totals June 30, 1986
Revenues:						
Licenses, Fees and Permits	$ ---	$ 916	$ ---	$ ---	$ 916	$ 638
Sales	---	2,269	---	---	2,269	6,240
Leases and Rentals	---	420	---	---	420	526
Contributions and Intergovernmental	69	300,417	---	---	300,486	323,960
Interest, Penalties and Unclaimed Properties	---	2,199	2,285	15,857	20,341	12,435
Miscellaneous Revenues	---	1,966	---	9	1,975	111
Total Revenues	69	308,187	2,285	15,866	326,407	343,910
Expenditures:						
Current:						
General Government	---	---	63	1,873	1,936	1,676
Education	---	---	---	176	176	528
Natural and Economic Resources	---	---	35,975	7,738	43,713	31,766
Transportation and Law Enforcement	---	567,429	---	37	567,466	657,841
Human Services	---	---	---	193	193	366
Capital Outlay	49	14,647	---	129,038	143,734	100,911
Total Expenditures	49	582,076	36,038	139,055	757,218	793,088
Excess Revenues (Expenditures)	20	(273,889)	(33,753)	(123,189)	(430,811)	(449,178)
Other Financing Sources (Uses):						
Proceeds of General Obligation Bonds	---	---	59,401	321,757	381,158	---
Operating Transfers In	---	266,617	---	---	266,617	269,269
Operating Transfers Out	---	---	---	(1,000)	(1,000)	---
Total Other Financing Sources	---	266,617	59,401	320,757	646,775	269,269
Excess Revenues and Other Sources (Expenditures and Other Uses)	20	(7,272)	25,648	197,568	215,964	(179,909)
Fund Balances - Beginning	220	82,274	839	7,126	90,459	267,511
Increase (Decrease) in Reserve for Inventory	---	613	---	(1)	612	2,857
Fund Balances - Ending	$ 240	$ 75,615	$ 26,487	$ 204,693	$ 307,035	$ 90,459

The notes to the financial statements are an integral part of this statement.

Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises.

State Parks - Accounts for bond sale proceeds, park concessions and contributions which are used to acquire and operate State parks and to retire revenue bonds.

Missouri Veterans' Homes - Accounts for fees to provide services for persons confined to one of the institutions.

Missouri Rehabilitation Center - Accounts for fees to provide services for persons confined to the institution.

Industrial Development Reserve - Accounts for revenues from appropriations, grants, gifts, donations and other sources used to defray losses which may be incurred in connection with loans received by the fund.

State Cancer Center - Accounts for revenues from counties, municipalities, guardians or other sources for persons confined in this institution which are used for the operation, maintenance and improvement of the institution.

Board of Public Buildings - Accounts for bond sale proceeds and rental fees for various State buildings which are used to provide for the retirement of the bond principal and interest and to maintain and operate the buildings.

State Agency for Surplus Property - Accounts for the surplus property operation.

Housing Development Commission - Accounts for bond and note proceeds for making or purchasing loans to finance the building or rehabilitation of low and moderate income housing and for revenues used to retire these bonds and notes.

Higher Education Loan Authority - Accounts for bond proceeds to provide guaranteed student loans for eligible post-secondary education students and for revenues used to retire these bonds.

State Environmental Improvement and Energy Resources Authority - Accounts for moneys to provide for the conservation of air, land and water resources of this State.

Health and Educational Facilities Authority - Accounts for moneys from bond proceeds and notes to finance the building of qualified health and/or educational institutions within the State.

State Lottery - Accounts for proceeds from the sale of lottery tickets and all other moneys credited or transferred to this fund. The moneys will be divided with a maximum of 45% used for prizes, 10% for commissions, administration and promotion costs, and a minimum of 45% credited to the General Revenue Fund.

Other Enterprise - This grouping includes six funds:

Commodity Council Merchandising - Accounts for fees imposed under the commodity merchandising program for the use and benefit of the commodity councils.

State Fair Fees - Accounts for the fairground admission fees used to improve the grounds and to pay the operating expenses for the State fair.

Natural Resources Document Services - Accounts for the publishing of maps and documents.

Historic Preservation Revolving - Accounts for gifts, grants and contributions used to acquire, preserve, restore, maintain or operate any historical properties.

Industrial Development Board - Accounts for moneys from bond proceeds, gifts and grants to make loans for industrial development.

Agriculture and Small Business Development Authority - Accounts for moneys from bond proceeds to finance agricultural and small business development loans for property acquisitions and renovations and the pollution control facilities within the State.

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STATE OF MISSOURI
COMBINING BALANCE SHEET
ALL ENTERPRISE FUNDS
June 30, 1987
(In Thousands of Dollars)

	State Parks	Missouri Veterans' Homes	Missouri Rehabilitation Center	Industrial Development Reserve	State Cancer Center	State Agency for Surplus Property
ASSETS						
Cash and Cash Equivalents	$ 2,236	$ 636	$ 401	$ 800	$ 5,091	$ 620
Accounts Receivable	1	629	3,389	---	2,369	227
Interest Receivable	18	---	---	---	53	---
Due from Other Funds	---	---	---	---	8	---
Inventory	18	187	384	---	237	3
Prepaid Items	---	---	---	---	---	4
Deferred Charges	---	---	---	---	---	---
Loans Receivable	---	---	---	---	---	---
Restricted Assets:						
Cash	---	---	---	---	---	---
Investments	1,833	---	---	---	---	---
Receivables	---	---	---	---	---	---
Construction in Progress	---	---	---	---	---	---
Land	7,811	---	---	---	---	---
Land Improvements	2,391	---	---	---	---	---
Accumulated Depreciation	(815)	---	---	---	---	---
Buildings	9,372	---	---	---	---	---
Accumulated Depreciation	(4,602)	---	---	---	---	---
Equipment	---	130	195	---	3,697	406
Accumulated Depreciation	---	(77)	(39)	---	(3,483)	(279)
Total Assets	$18,263	$ 1,505	$ 4,330	$ 800	$ 7,972	$ 981
LIABILITIES AND FUND EQUITY						
Liabilities:						
Accounts Payable	$ 163	$ 163	$ 575	$ ---	$ 248	$ 50
Accrued Payroll	29	---	29	---	39	4
Due to Other Funds	---	90	83	---	22	---
Deferred Revenue	---	---	---	---	---	---
Payable From Restricted Assets	305	---	---	---	---	---
Bonds and Notes Payable	2,970	---	---	---	---	---
Leave Liability	---	162	---	---	---	25
Obligations Under Lease/Purchase	---	---	---	---	---	---
Total Liabilities	3,467	415	687	---	309	79
Fund Equity:						
Contributed Capital	---	---	---	---	---	---
Retained Earnings:						
Reserved for Revenue Bonds	842	---	---	---	---	---
Reserved for Education	---	---	---	---	---	---
Unreserved	13,954	1,090	3,643	800	7,663	902
Total Fund Equity	14,796	1,090	3,643	800	7,663	902
Total Liabilities and Fund Equity	$18,263	$ 1,505	$ 4,330	$ 800	$ 7,972	$ 981

Board of Public Buildings	Housing Development Commission	Higher Education Loan Authority	State Environmental Improvement and Energy Resources Authority	Health and Educational Facilities Authority	State Lottery	Other Enterprise	Totals June 30, 1987	Totals June 30, 1986
$ 2,055	$ 68,414	$ 780	$ 3,129	$ 882	$ 67,166	$ 1,502	$ 153,712	$ 164,180
100	1,408	---	---	46	1,903	---	10,072	11,813
---	11,833	1,867	3	---	206	---	13,980	11,054
---	---	---	---	---	33	---	41	63
---	---	---	---	---	353	92	1,274	1,865
32	---	---	---	23	---	---	59	36
---	3,094	1,005	---	---	---	---	4,099	3,646
---	835,507	90,009	52	1,030,429	---	---	1,955,997	2,058,213
28,766	9,363	52,372	---	254	---	---	90,755	61,658
---	291,530	---	---	411,530	---	---	704,893	813,777
160	2,898	---	---	8,071	---	---	11,129	8,490
85,589	---	---	---	---	1,296	---	86,885	56,768
7,637	---	---	---	---	185	---	15,633	11,170
1,551	---	---	---	---	---	---	3,942	3,494
(231)	---	---	---	---	---	---	(1,046)	(660)
91,413	750	---	---	---	876	---	102,411	100,805
(12,728)	---	---	---	---	(60)	---	(17,390)	(14,105)
4,993	504	---	33	76	4,802	---	14,836	11,820
(1,736)	---	---	(17)	(35)	(1,101)	---	(6,767)	(4,419)
$ 207,601	$ 1,225,301	$ 146,033	$ 3,200	$ 1,451,276	$ 75,659	$ 1,594	$3,144,515	$3,299,668
$ 1,331	$ 1,148	$ 1	$ 231	$ 40	$ 7,521	$ 245	$ 11,716	$ 15,829
31	---	---	7	---	15	12	166	123
---	---	---	---	---	20,939	1	21,135	7,246
10	1,251	---	---	74	---	---	1,335	559
15,227	83,548	6,777	---	131,641	---	---	237,498	134,401
144,028	1,018,162	136,281	---	1,081,630	---	---	2,383,071	2,490,915
181	---	---	---	---	216	---	584	514
5	---	---	---	---	---	---	5	---
160,813	1,104,109	143,059	238	1,213,385	28,691	258	2,655,510	2,649,587
37,609	---	---	---	---	---	---	37,609	37,325
13,317	70,174	---	---	237,012	---	---	321,345	461,411
---	---	---	---	---	23,000	---	23,000	---
(4,138)	51,018	2,974	2,962	879	23,968	1,336	107,051	151,345
46,788	121,192	2,974	2,962	237,891	46,968	1,336	489,005	650,081
$ 207,601	$ 1,225,301	$ 146,033	$ 3,200	$ 1,451,276	$ 75,659	$ 1,594	$3,144,515	$3,299,668

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
ALL ENTERPRISE FUNDS
For the Fiscal Year Ended June 30, 1987
(In Thousands of Dollars)

	State Parks	Missouri Veterans' Homes	Missouri Rehabilitation Center	Industrial Development Reserve	State Cancer Center	State Agency for Surplus Property
Operating Revenues:						
Licenses, Fees and Permits	$ 1,792	$ ---	$ 651	$ ---	$ 3	$ ---
Sales	52	6	120	---	30	1,173
Leases and Rentals	779	---	28	---	35	---
Services	---	6,306	6,692	---	5,208	---
Interest	125	---	---	---	285	---
Miscellaneous Revenues	---	---	22	---	3	---
Total Operating Revenues	2,748	6,312	7,513	---	5,564	1,173
Operating Expenses:						
Personal Services	302	4,433	4,714	---	1,816	482
Operations	876	873	2,162	---	2,358	615
Inventories	590	784	1,821	---	1,229	24
Specific Programs	---	---	---	---	---	---
Interest	---	---	---	---	---	---
Depreciation	442	23	39	---	150	29
Other Charges	---	5	35	---	69	---
Total Operating Expenses	2,210	6,118	8,771	---	5,622	1,150
Operating Income (Loss)	538	194	(1,258)	---	(58)	23
Non-Operating Revenues (Expenses):						
Contributions and Intergovernmental	215	---	234	---	---	---
Interest	---	---	---	---	---	27
Interest on Debt	---	---	---	---	---	---
Increase (Decrease) in Reserve Accounts	(397)	---	---	---	---	---
Miscellaneous Revenues (Expenses)	---	---	---	---	---	147
Total Non-Operating Revenues (Expenses)	(182)	---	234	---	---	174
Income (Loss) Before Operating Transfers	356	194	(1,024)	---	(58)	197
Operating Transfers:						
Operating Transfers In	---	---	---	---	---	---
Operating Transfers Out	---	---	---	---	---	---
Net Operating Transfers	---	---	---	---	---	---
Net Income (Loss) Before Extraordinary Item	356	194	(1,024)	---	(58)	197
Payment to Escrow Agent	---	---	---	---	---	---
Net Income (Loss)	356	194	(1,024)	---	(58)	197
Retained Earnings - Beginning	8,834	2,176	4,945	800	7,850	705
Prior Period Adjustments (Note 12)	5,606	(1,280)	(278)	---	(129)	---
Retained Earnings - Ending	$14,796	$ 1,090	$ 3,643	$ 800	$ 7,663	$ 902

Board of Public Buildings	Housing Development Commission	Higher Education Loan Authority	State Environmental Improvement and Energy Resources Authority	Health and Educational Facilities Authority	State Lottery	Other Enterprise	Totals June 30, 1987	Totals June 30, 1986
$ ---	$ 2,066	$ ---	$ 139	$ 541	$ 566	$ 2,110	$ 7,868	$ 8,017
---	---	---	---	---	174,082	128	175,591	208,247
29,064	---	---	---	---	---	303	30,209	18,222
---	---	---	---	---	---	---	18,206	18,083
---	103,406	6,791	---	---	---	---	110,607	112,908
77	---	5	1	3	---	---	111	857
29,141	105,472	6,796	140	544	174,648	2,541	342,592	366,334
4,093	1,167	---	121	131	5,425	442	23,126	18,762
5,635	3,878	2,140	489	251	105,158	1,599	126,034	139,326
---	---	---	---	---	---	162	4,610	4,688
---	---	---	---	---	---	---	---	107
---	90,347	8,184	---	---	---	---	98,531	94,938
2,832	---	---	5	9	848	---	4,377	4,195
---	---	---	---	---	1,758	294	2,161	221
12,560	95,392	10,324	615	391	113,189	2,497	258,839	262,237
16,581	10,080	(3,528)	(475)	153	61,459	44	83,753	104,097
---	---	3,842	---	---	---	---	4,291	4,116
3,128	---	---	210	42	5,319	3	8,729	8,515
(12,406)	---	---	---	---	---	---	(12,406)	(13,148)
---	---	---	---	(154,259)	---	---	(154,656)	180,252
185	---	(34)	---	---	---	---	298	141
(9,093)	---	3,808	210	(154,217)	5,319	3	(153,744)	179,876
7,488	10,080	280	(265)	(154,064)	66,778	47	(69,991)	283,973
---	---	---	---	---	---	1,000	1,000	---
(2,003)	---	---	---	---	(93,845)	(364)	(96,212)	(9,824)
(2,003)	---	---	---	---	(93,845)	636	(95,212)	(9,824)
5,485	10,080	280	(265)	(154,064)	(27,067)	683	(165,203)	274,149
---	---	---	---	---	---	---	---	(10,287)
5,485	10,080	280	(265)	(154,064)	(27,067)	683	(165,203)	263,862
3,694	111,112	2,694	3,227	391,955	74,035	729	612,756	348,894
---	---	---	---	---	---	(76)	3,843	---
$ 9,179	$ 121,192	$ 2,974	$ 2,962	$ 237,891	$ 46,968	$ 1,336	$ 451,396	$ 612,756

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
ALL ENTERPRISE FUNDS
For the Fiscal Year Ended June 30, 1987
(In Thousands of Dollars)

	State Parks	Missouri Veterans' Homes	Missouri Rehabilitation Center	Industrial Development Reserve	State Cancer Center	State Agency for Surplus Property
Sources of Working Capital						
Operations:						
Net Income (Loss) Before Extraordinary Item	$ 356	$ 194	$ (1,024)	$ ---	$ (58)	$ 197
Items not Requiring Working Capital - Depreciation	442	23	39	---	150	29
Working Capital Provided by Operations Before Extraordinary Item	798	217	(985)	---	92	226
Extraordinary Item - Payment to Escrow Agent	---	---	---	---	---	---
Working Capital Provided by Operations	798	217	(985)	---	92	226
Decrease in Long-Term Assets	---	---	---	---	---	---
Decrease in Restricted Assets	296	---	---	---	---	---
Increase in Payables From Restricted Assets	---	---	---	---	---	---
Increase in Contributed Capital	---	---	---	---	---	---
Increase in Long-Term Liabilities	---	---	---	---	---	3
Proceeds from Bond Issue	---	---	---	---	---	---
Total Sources of Working Capital	1,094	217	(985)	---	92	229
Uses of Working Capital						
Acquisition of Property, Plant and Equipment	8	11	195	---	97	14
Gain on Sale of Fixed Assets	---	---	---	---	---	---
Increase in Long-Term Assets	---	---	---	---	---	---
Increase in Restricted Assets	---	---	---	---	---	---
Decrease in Payables From Restricted Assets	102	---	---	---	---	---
Decrease in Long-Term Liabilities	285	---	---	---	---	---
Refunding Bond Issues	---	---	---	---	---	---
Total Uses of Working Capital	395	11	195	---	97	14
Net Increase (Decrease) in Working Capital	$ 699	$ 206	$ (1,180)	$ ---	$ (5)	$ 215
Elements of Net Increase (Decrease) in Working Capital						
Cash and Cash Equivalents	$ 603	$ (1)	$ (830)	$ ---	$ 861	$ 182
Accounts Receivable	---	61	144	---	(939)	15
Interest Receivable	15	---	---	---	23	---
Due From Other Funds	---	---	---	---	4	---
Inventory	(9)	140	(179)	---	(12)	3
Prepaid Items	---	---	---	---	---	1
Accounts Payable	81	18	(266)	---	66	16
Accrued Payroll	7	3	(11)	---	(10)	(2)
Due to Other Funds	2	(15)	(38)	---	2	---
Deferred Revenue	---	---	---	---	---	---
Net Increase (Decrease) in Working Capital	$ 699	$ 206	$ (1,180)	$ ---	$ (5)	$ 215

Board of Public Buildings	Housing Development Commission	Higher Education Loan Authority	State Environmental Improvement and Energy Resources Authority	Health and Educational Facilities Authority	State Lottery	Other Enterprise	Totals June 30, 1987	Totals June 30, 1986
$ 5,485	$ 10,080	$ 280	$ (265)	$ (154,064)	$ (27,067)	$ 683	$ (165,203)	$ 274,149
2,832	---	---	5	9	848	---	4,377	4,195
8,317	10,080	280	(260)	(154,055)	(26,219)	683	(160,826)	278,344
---	---	---	---	---	---	---	---	(10,287)
8,317	10,080	280	(260)	(154,055)	(26,219)	683	(160,826)	268,057
---	---	---	12	53,703	---	---	53,715	12
26,149	64,427	---	---	195,111	---	---	285,983	147,699
980	8,768	---	---	93,788	---	---	103,536	14,664
284	---	---	---	---	---	---	284	257
25	49,102	38,954	---	---	46	---	88,130	650,766
---	---	---	---	---	---	---	---	150,560
35,755	132,377	39,234	(248)	188,547	(26,173)	683	370,822	1,232,015
30,530	33	---	6	5	3,263	---	34,162	55,451
2	---	---	---	---	---	---	2	---
---	---	16,379	---	---	---	---	16,379	413,661
---	---	22,048	---	---	---	---	22,048	372,772
7,273	122,360	336	---	---	---	---	130,071	128,182
---	---	---	---	188,343	---	---	188,628	28,674
---	---	---	---	---	---	---	---	150,560
37,805	122,393	38,763	6	188,348	3,263	---	391,290	1,149,300
$ (2,050)	$ 9,984	$ 471	$ (254)	$ 199	$ (29,436)	$ 683	$ (20,468)	$ 82,715
$ (1,264)	$ 6,879	$ 569	$ (46)	$ 167	$ (18,364)	$ 775	$ (10,469)	$ 95,031
(44)	539	---	---	(21)	(1,489)	(7)	(1,741)	3,453
(1)	2,777	(97)	3	---	206	---	2,926	1,215
---	---	---	---	---	(26)	---	(22)	61
---	---	---	---	---	(520)	(14)	(591)	779
7	---	---	---	15	---	---	23	95
(725)	595	(1)	(204)	(2)	4,617	(84)	4,111	(12,664)
(14)	---	---	(7)	---	(15)	8	(41)	(12)
---	---	---	---	---	(13,845)	5	(13,889)	(6,810)
(9)	(806)	---	---	40	---	---	(775)	1,567
$ (2,050)	$ 9,984	$ 471	$ (254)	$ 199	$ (29,436)	$ 683	$ (20,468)	$ 82,715

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
COMBINING BALANCE SHEET
OTHER ENTERPRISE FUNDS
June 30, 1987
(In Thousands of Dollars)

	Commodity Council Merchandising	State Fair Fees	Natural Resources Document Services	Historic Preservation Revolving	Industrial Development Board	Agriculture and Small Business Development Authority	Totals June 30, 1987	Totals June 30, 1986
ASSETS								
Cash and Cash Equivalents	$ 316	$ 90	$ 118	$ 853	$ 124	$ 1	$ 1,502	$ 727
Accounts Receivable	---	---	---	---	---	---	---	7
Inventory	---	7	85	---	---	---	92	106
Buildings	---	---	---	---	---	---	---	26
Accumulated Depreciation	---	---	---	---	---	---	---	(1)
Equipment	---	---	---	---	---	---	---	113
Accumulated Depreciation	---	---	---	---	---	---	---	(62)
Total Assets	$ 316	$ 97	$ 203	$ 853	$ 124	$ 1	$ 1,594	$ 916
LIABILITIES AND FUND EQUITY								
Liabilities:								
Accounts Payable	$ 13	$ 32	$ 42	$ ---	$ ---	$ 158	$ 245	$ 161
Accrued Payroll	---	12	---	---	---	---	12	20
Due to Other Funds	1	---	---	---	---	---	1	6
Total Liabilities	14	44	42	---	---	158	258	187
Fund Equity:								
Retained Earnings:								
Unreserved	302	53	161	853	124	(157)	1,336	729
Total Fund Equity	302	53	161	853	124	(157)	1,336	729
Total Liabilities and Fund Equity	$ 316	$ 97	$ 203	$ 853	$ 124	$ 1	$ 1,594	$ 916

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
OTHER ENTERPRISE FUNDS
For the Fiscal Year Ended June 30, 1987
(In Thousands of Dollars)

	Commodity Council Merchandising	State Fair Fees	Natural Resources Document Services	Historic Preservation Revolving	Industrial Development Board	Agriculture and Small Business Development Authority	Totals June 30, 1987	Totals June 30, 1986
Operating Revenues:								
Licenses, Fees and Permits	$ 273	$ 1,689	$ ---	$ ---	$ 143	$ 5	$ 2,110	$ 1,263
Sales	---	---	128	---	---	---	128	117
Leases and Rentals	---	303	---	---	---	---	303	391
Total Operating Revenues	273	1,992	128	---	143	5	2,541	1,771
Operating Expenses:								
Personal Services	42	400	---	---	---	---	442	443
Operations	9	978	134	326	82	70	1,599	1,024
Inventories	1	122	39	---	---	---	162	153
Depreciation	---	---	---	---	---	---	---	24
Other Charges	---	92	2	---	200	---	294	238
Total Operating Expenses	52	1,592	175	326	282	70	2,497	1,882
Operating Income (Loss)	221	400	(47)	(326)	(139)	(65)	44	(111)
Non-Operating Revenues:								
Interest	---	---	---	---	3	---	3	1
Total Non-Operating Revenues	---	---	---	---	3	---	3	1
Income (Loss) Before Operating Transfers	221	400	(47)	(326)	(136)	(65)	47	(110)
Operating Transfers:								
Operating Transfers In	---	---	---	1,000	---	---	1,000	---
Operating Transfers Out	---	(364)	---	---	---	---	(364)	(1)
Net Operating Transfers	---	(364)	---	1,000	---	---	636	(1)
Net Income (Loss)	221	36	(47)	674	(136)	(65)	683	(111)
Retained Earnings - Beginning	82	47	228	204	260	(92)	729	840
Prior Period Adjustment	(1)	(30)	(20)	(25)	---	---	(76)	---
Retained Earnings - Ending	$ 302	$ 53	$ 161	$ 853	$ 124	$ (157)	$ 1,336	$ 729

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
OTHER ENTERPRISE FUNDS
For the Fiscal Year Ended June 30, 1987
(In Thousands of Dollars)

	Commodity Council Merchandising	State Fair Fees	Natural Resources Document Services	Historic Preservation Revolving	Industrial Development Board	Agriculture and Small Business Development Authority	Totals June 30, 1987	Totals June 30, 1986
Sources of Working Capital								
Operations:								
Net Income (Loss)	$ 221	$ 36	$ (47)	$ 674	$ (136)	$ (65)	$ 683	$ (111)
Items not Requiring Working Capital - Depreciation	---	---	---	---	---	---	---	24
Working Capital Provided by Operations	221	36	(47)	674	(136)	(65)	683	(87)
Total Sources of Working Capital	221	36	(47)	674	(136)	(65)	683	(87)
Uses of Working Capital								
Acquisition of Property, Plant and Equipment	---	---	---	---	---	---	---	35
Total Uses of Working Capital	---	---	---	---	---	---	---	35
Net Increase (Decrease) in Working Capital	$ 221	$ 36	$ (47)	$ 674	$ (136)	$ (65)	$ 683	$ (122)
Elements of Net Increase (Decrease) in Working Capital:								
Cash and Cash Equivalents	$ 218	$ 34	$ (14)	$ 674	$ (136)	$ (1)	$ 775	$ (29)
Accounts Receivable	---	(6)	---	---	---	(1)	(7)	(1)
Inventory	---	(13)	(1)	---	---	---	(14)	(119)
Prepaid Items	---	---	---	---	---	---	---	86
Accounts Payable	3	8	(32)	---	---	(63)	(84)	(47)
Accrued Payroll	---	8	---	---	---	---	8	(11)
Due to Other Funds	---	5	---	---	---	---	5	(1)
Net Increase (Decrease) in Working Capital	$ 221	$ 36	$ (47)	$ 674	$ (136)	$ (65)	$ 683	$ (122)

The notes to the financial statements are an integral part of this statement.

Internal Service Funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit on a cost-reimbursement basis.

Office of Administration Revolving - Accounts for the following operations: printing services, flight operations, vehicle management, garage services, Data Processing and Telecommunication services, building and grounds, insurance services, personnel administration and surplus property.

Working Capital Revolving - Accounts for the operation of correctional industry programs and correctional farm programs.

Microfilming Service Revolving - Accounts for microfilming service operation.

Central Check Mailing Service Revolving - Accounts for mailing service operation.

General Government Revolving - Accounts for various service operations of the House of Representatives, Supreme Court, Adjutant General, Senate and Department of Corrections and Human Resources.

Social Services Administrative Trust - Accounts for moneys transferred or paid to the Department of Social Services from any governmental entity or the public for goods and services provided.

STATE OF MISSOURI
COMBINING BALANCE SHEET
ALL INTERNAL SERVICE FUNDS
June 30, 1987
(In Thousands of Dollars)

	Office of Administration Revolving	Working Capital Revolving	Microfilming Service Revolving	Central Check Mailing Service Revolving	General Government Revolving	Social Services Administrative Trust	Totals June 30, 1987	Totals June 30, 1986
ASSETS								
Cash and Cash Equivalents	$ 2,408	$ 4,594	$ 79	$ 34	$ 936	$ 127	$ 8,178	$ 4,521
Accounts Receivable	3,560	1,705	19	---	101	---	5,385	6,474
Inventory	441	2,445	41	---	---	---	2,927	3,084
Land	---	41	---	---	---	---	41	41
Buildings	---	734	---	---	---	---	734	720
Accumulated Depreciation	---	(462)	---	---	---	---	(462)	(435)
Equipment	1,689	5,021	364	5	---	---	7,079	6,444
Accumulated Depreciation	(875)	(2,809)	(226)	(5)	---	---	(3,915)	(3,934)
Total Assets	$ 7,223	$ 11,269	$ 277	$ 34	$ 1,037	$ 127	$ 19,967	$ 16,915
LIABILITIES AND FUND EQUITY								
Liabilities:								
Accounts Payable	$ 1,615	$ 414	$ 11	$ ---	$ 2	$ 72	$ 2,114	$ 2,379
Accrued Payroll	12	---	---	---	---	---	12	13
Due to Other Funds	35	47	1	---	7	---	90	81
Deferred Revenue	1	---	---	---	---	---	1	4
Accrued Leave Liability	128	231	---	---	---	---	359	330
Total Liabilities	1,791	692	12	---	9	72	2,576	2,807
Fund Equity:								
Contributed Capital	555	3,456	---	---	---	---	4,011	4,011
Retained Earnings:								
Unreserved	4,877	7,121	265	34	1,028	55	13,380	10,097
Total Fund Equity	5,432	10,577	265	34	1,028	55	17,391	14,108
Total Liabilities and Fund Equity	$ 7,223	$ 11,269	$ 277	$ 34	$ 1,037	$ 127	$ 19,967	$ 16,915

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
ALL INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 1987
(In Thousands of Dollars)

	Office of Administration Revolving	Working Capital Revolving	Microfilming Service Revolving	Central Check Mailing Service Revolving	General Government Revolving	Social Services Administrative Trust	Totals June 30, 1987	Totals June 30, 1986
Operating Revenues:								
Licenses, Fees and Permits	$ ---	$ ---	$ ---	$ ---	$ 15	$ ---	$ 15	$ 2
Sales	---	10,843	---	---	160	---	11,003	10,996
Leases and Rentals	---	101	---	---	30	---	131	58
Services	20,216	---	285	19	---	1,205	21,725	20,682
Miscellaneous Revenues	3	40	1	---	1,150	---	1,194	1,056
Total Operating Revenues	20,219	10,984	286	19	1,355	1,205	34,068	32,794
Operating Expenses:								
Personal Services	2,200	3,776	80	---	515	---	6,571	6,292
Operations	15,563	5,361	60	19	548	1,148	22,699	23,389
Inventories	399	229	67	---	28	---	723	785
Depreciation	290	380	50	---	---	---	720	592
Other Charges	101	13	---	---	1	2	117	108
Equipment Purchases	66	---	---	---	---	---	66	27
Capital Improvements	4	---	---	---	---	---	4	54
Total Operating Expenses	18,623	9,759	257	19	1,092	1,150	30,900	31,247
Operating Income	1,596	1,225	29	---	263	55	3,168	1,547
Income Before Operating Transfers	1,596	1,225	29	---	263	55	3,168	1,547
Operating Transfers Out	(23)	---	(8)	---	---	---	(31)	(180)
Net Income	1,573	1,225	21	---	263	55	3,137	1,367
Retained Earnings - Beginning	3,304	5,896	66	34	797	---	10,097	8,730
Prior Period Adjustments (Note 12)	---	---	178	---	(32)	---	146	---
Retained Earnings - Ending	$ 4,877	$ 7,121	$ 265	$ 34	$ 1,028	$ 55	$ 13,380	$ 10,097

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
ALL INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 1987
(In Thousands of Dollars)

	Office of Administration Revolving	Working Capital Revolving	Microfilming Service Revolving	Central Check Mailing Service Revolving	General Government Revolving	Social Services Administrative Trust	Totals June 30, 1987	Totals June 30, 1986
Sources of Working Capital								
Operations:								
Net Income	$ 1,573	$ 1,225	$ 21	$ ---	$ 263	$ 55	$ 3,137	$ 1,367
Items not Requiring Working Capital - Depreciation	290	380	50	---	---	---	720	592
Working Capital Provided by Operations	1,863	1,605	71	---	263	55	3,857	1,959
Increase in Leave Liability	---	29	---	---	---	---	29	---
Total Sources of Working Capital	1,863	1,634	71	---	263	55	3,886	1,959
Uses of Working Capital								
Acquisition of Property, Plant and Equipment	518	688	9	---	---	---	1,215	680
Decrease in Leave Liability	---	---	---	---	---	---	---	15
Payments on Portion of Long-Term Capital Lease	---	---	---	---	---	---	---	19
Total Uses of Working Capital	518	688	9	---	---	---	1,215	714
Net Increase in Working Capital	$ 1,345	$ 946	$ 62	$ ---	$ 263	$ 55	$ 2,671	$ 1,245
Elements of Net Increase (Decrease) in Working Capital								
Cash and Cash Equivalents	$ 1,963	$ 1,334	$ 54	$ ---	$ 179	$ 127	$ 3,657	$ 771
Accounts Receivable	(680)	(415)	(47)	---	53	---	(1,089)	1,055
Inventory	(78)	(120)	41	---	---	---	(157)	(103)
Accounts Payable	147	146	14	---	30	(72)	265	(491)
Accrued Payroll	1	---	---	---	---	---	1	(3)
Due to Other Funds	(11)	1	---	---	1	---	(9)	14
Deferred Revenue	3	---	---	---	---	---	3	2
Net Increase in Working Capital	$ 1,345	$ 946	$ 62	$ ---	$ 263	$ 55	$ 2,671	$ 1,245

The notes to the financial statements are an integral part of this statement.

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Agency and Trust Funds account for assets held by a governmental unit in a trustee or an agency capacity.

Agency Funds:

State Retirement Contributions - Accounts for receipt of contributions from various State funds which are to be transferred to the Missouri State Employees' Retirement System Trust Fund.

Social Security Contributions - Accounts for receipt of contributions from various State funds for the State's share of social security contributions which is due to the Federal Social Security Administration.

Deferred Compensation - Accounts for deposits from State employees which are invested for the benefit of the employees until properly authorized to distribute.

Program - Accounts for the receipt of various taxes, refundable deposits and other moneys to be held until the State has the right or obligation to distribute them to various entities or individuals.

Institution - Accounts for deposits to various institutional accounts and other receipts held by the State until there is proper authorization to disburse them directly to others.

Non-Expendable Trust Funds:

Confederate Memorial Park - Accounts for the income from investments acquired by gifts, donations and bequests to be used for the maintenance of the Confederate Memorial Park.

State Public School- Accounts for all moneys, bonds, lands and other properties belonging to or donated to the State for public school use in establishing and maintaining free public schools.

Smith Memorial Endowment Trust - Accounts for moneys bequeathed for the use and benefit of the crippled children's service.

Expendable Trust Funds:

Agricultural Emergency - Accounts for trust assets from the Federal Secretary of Agriculture to be used for investment in secured agricultural loans, government bonds or emergency agricultural relief and rehabilitation purposes.

Babler State Park - Accounts for assets donated, bequeathed or devised to the State for the benefit of the Doctor Edmund A. Babler Memorial State Park used solely for the maintenance and development of this park.

School for the Blind - Accounts for grants, gifts, donations or bequests for the sole use of the Missouri School for the Blind.

School for the Deaf - Accounts for grants, gifts, donations or bequests for the sole use of the Missouri School for the Deaf.

Institution Gift Trust - Accounts for grants, gifts, donations, devises or bequests to various institutions to be spent as requested by the donor.

Social Services Crippled Children - Accounts for moneys from various sources to be used for expenses of crippled children's services.

Johnson-Travis Memorial State Gardens - Accounts for all moneys given to the State by Miss Pansy Johnson or for the benefit of the Pansy Johnson-Travis Memorial State Gardens. Moneys will be used solely to establish, develop and maintain the gardens.

Professional Liability Review Board - Accounts for taxes upon the net deposits or net premiums received for business done in the State which are used to pay for the operations of the review boards.

Handicapped Children's Trust - Accounts for grants, gifts, donations or bequests to be spent as requested by the donor for handicapped children.

Unclaimed Property - Accounts for money unpaid or unclaimed within one year after final settlement of any executor or administrator, assignee, sheriff or receiver and all unclaimed deposits, dividends and interest of banks unable to locate the owners.

Unemployment Compensation - Accounts for contributions and payments collected under the provisions of the unemployment compensation law to pay benefits.

Pension and Insurance Trust Funds:

Missouri State Employees' Retirement System - Accounts for retirement, survivor and disability benefits paid to employees of the State.

Highway Employees' and Highway Patrol Retirement System - Accounts for retirement, survivor and disability benefits paid to Department of Highway employees and members of the Missouri State Highway Patrol.

Missouri State Employees' Medical Care and Life Insurance Program - Accounts for the medical care and death benefits provided on a self-insured basis for State employees.

Highway Employees' and Highway Patrol Insurance Plan - Accounts for the medical coverage provided on a self-insured basis and death benefits provided on an insured basis to Department of Highway employees and members of the Missouri State Highway Patrol.

STATE OF MISSOURI
COMBINING BALANCE SHEET
ALL AGENCY AND TRUST FUNDS
June 30, 1987
(In Thousands of Dollars)

	Agency	Non-Expendable Trust	Expendable Trust	Pension and Insurance Trust	Totals June 30, 1987	Totals June 30, 1986
ASSETS						
Cash and Cash Equivalents	$ 75,057	$ 531	$ 353,809	$ 354	$ 429,751	$ 376,333
Investments	91,954	9,383	8,169	1,524,616	1,634,122	1,410,930
Accounts Receivable	8,382	---	3,652	33,052	45,086	30,644
Interest and Dividends Receivable	12	4	126	9,331	9,473	8,459
Due from Other Funds	19,164	293	313	10,652	30,422	29,124
Prepaid Expenses	---	---	---	1	1	19
Inventory	---	---	1	---	1	3
Loans Receivable	---	---	2,041	---	2,041	2,385
Land	---	---	---	71	71	1
Buildings	---	---	---	1,127	1,127	---
Accumulated Depreciation	---	---	---	(28)	(28)	---
Equipment	---	---	---	905	905	614
Accumulated Depreciation	---	---	---	(286)	(286)	(211)
Total Assets	$194,569	$ 10,211	$ 368,111	$1,579,795	$2,152,686	$1,858,301
LIABILITIES AND FUND EQUITY						
Liabilities:						
Cash Overdraft	$ ---	$ ---	$ ---	$ 8,580	$ 8,580	$ 5,500
Accounts Payable	10,701	---	2,773	69,146	82,620	89,110
Accrued Payroll	---	---	---	---	---	6
Due to Other Entities	71,532	---	---	---	71,532	70,635
Due to Individuals	99,949	---	---	---	99,949	76,974
Due to Other Funds	12,387	---	297	---	12,684	18,901
Deferred Revenue	---	---	53	1,621	1,674	1,412
Accrued Vacation	---	---	---	101	101	58
Total Liabilities	194,569	---	3,123	79,448	277,140	262,596
Fund Equity:						
Fund Balances:						
Reserved for Inventory	---	---	1	---	1	3
Reserved for Retirement System	---	---	---	1,490,693	1,490,693	1,262,958
Reserved for Insurance Benefits	---	---	---	9,654	9,654	11,074
Reserved for Loans Receivable	---	---	2,041	---	2,041	2,385
Reserved for Unclaimed Properties	---	---	1,008	---	1,008	358
Unreserved:						
Designated for Encumbrances	---	---	376	---	376	9
Undesignated	---	10,211	361,562	---	371,773	318,918
Total Fund Equity	---	10,211	364,988	1,500,347	1,875,546	1,595,705
Total Liabilities and Fund Equity	$194,569	$ 10,211	$ 368,111	$1,579,795	$2,152,686	$1,858,301

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
COMBINING BALANCE SHEET
ALL AGENCY FUNDS
June 30, 1987
(In Thousands of Dollars)

	State Retirement Contributions	Social Security Contributions	Deferred Compensation	Program	Institution	Totals June 30, 1987	Totals June 30, 1986
ASSETS							
Cash and Cash Equivalents	$ ---	$ 102	$ 1,667	$ 68,226	$ 5,062	$ 75,057	$ 66,955
Investments	---	---	91,321	446	187	91,954	80,364
Accounts Receivable	---	---	---	8,382	---	8,382	8,417
Interest Receivable	---	---	---	12	---	12	10
Due from Other Funds	10,652	5,204	---	3,308	---	19,164	18,948
Total Assets	$ 10,652	$ 5,306	$ 92,988	$ 80,374	$ 5,249	$194,569	$174,694
LIABILITIES							
Protested Taxes	$ ---	$ ---	$ ---	$ 10,701	$ ---	$ 10,701	$ 8,187
Due to Other Entities	---	5,306	---	66,226	---	71,532	70,635
Due to Individuals	---	---	92,988	1,712	5,249	99,949	76,974
Due to Other Funds	10,652	---	---	1,735	---	12,387	18,898
Total Liabilities	$ 10,652	$ 5,306	$ 92,988	$ 80,374	$ 5,249	$194,569	$174,694

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
For the Fiscal Year Ended June 30, 1987
(In Thousands of Dollars)

	Balance July 1, 1986	Additions	Deductions	Balance June 30, 1987
STATE RETIREMENT CONTRIBUTIONS				
ASSETS				
Cash and Cash Equivalents	$ 4	$ ---	$ 4	$ ---
Due from Other Funds	9,866	117,986	117,200	10,652
Total Assets	$ 9,870	$ 117,986	$ 117,204	$ 10,652
LIABILITIES				
Due to Other Funds	$ 9,870	$ 117,986	$ 117,204	$ 10,652
SOCIAL SECURITY CONTRIBUTIONS				
ASSETS				
Cash and Cash Equivalents	$ 102	$ 57,471	$ 57,471	$ 102
Due from Other Funds	5,350	5,204	5,350	5,204
Total Assets	$ 5,452	$ 62,675	$ 62,821	$ 5,306
LIABILITIES				
Due to Other Entities	$ 5,452	$ 62,675	$ 62,821	$ 5,306
DEFERRED COMPENSATION				
ASSETS				
Cash and Cash Equivalents	$ 1,385	$ 1,667	$ 1,385	$ 1,667
Investments	68,945	23,857	1,481	91,321
Total Assets	$ 70,330	$ 25,524	$ 2,866	$ 92,988
LIABILITIES				
Due to Individuals	$ 70,330	$ 25,524	$ 2,866	$ 92,988
PROGRAM				
ASSETS				
Cash and Cash Equivalents	$ 60,372	$ 866,742	$ 858,888	$ 68,226
Investments	11,247	---	10,801	446
Accounts Receivable	8,417	511,399	511,434	8,382
Interest Receivable	10	500	498	12
Due from Other Funds	3,732	3,308	3,732	3,308
Total Assets	$ 83,778	$1,381,949	$1,385,353	$ 80,374
LIABILITIES				
Protested Taxes Payable	$ 8,187	$ 3,886	$ 1,372	$ 10,701
Due to Other Entities	65,183	1,364,586	1,363,543	66,226
Due to Individuals	1,380	7,276	6,944	1,712
Due to Other Funds	9,028	6,201	13,494	1,735
Total Liabilities	$ 83,778	$1,381,949	$1,385,353	$ 80,374
INSTITUTION				
ASSETS				
Cash and Cash Equivalents	$ 5,092	$ 47,412	$ 47,442	$ 5,062
Investments	172	15	---	187
Total Assets	$ 5,264	$ 47,427	$ 47,442	$ 5,249
LIABILITIES				
Due to Individuals	$ 5,264	$ 47,427	$ 47,442	$ 5,249
TOTALS - ALL AGENCY FUNDS				
ASSETS				
Cash and Cash Equivalents	$ 66,955	$ 973,292	$ 965,190	$ 75,057
Investments	80,364	23,872	12,282	91,954
Accounts Receivable	8,417	511,399	511,434	8,382
Interest Receivable	10	500	498	12
Due from Other Funds	18,948	126,498	126,282	19,164
Total Assets	$ 174,694	$1,635,561	$1,615,686	$ 194,569
LIABILITIES				
Protested Taxes Payable	$ 8,187	$ 3,886	$ 1,372	$ 10,701
Due to Other Entities	70,635	1,427,261	1,426,364	71,532
Due to Individuals	76,974	80,227	57,252	99,949
Due to Other Funds	18,898	124,187	130,698	12,387
Total Liabilities	$ 174,694	$1,635,561	$1,615,686	$ 194,569

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
COMBINING BALANCE SHEET
ALL NON-EXPENDABLE TRUST FUNDS
June 30, 1987
(In Thousands of Dollars)

	Confederate Memorial Park	State Public School	Smith Memorial Endowment Trust	Totals June 30, 1987	Totals June 30, 1986
ASSETS					
Cash and Cash Equivalents	$ 53	$ 71	$ 407	$ 531	$ 645
Investments	7	9,376	---	9,383	9,116
Interest Receivable	---	---	4	4	3
Due from Other Funds	---	292	1	293	---
Land	---	---	---	---	1
Equipment	---	---	---	---	3
Total Assets	$ 60	$ 9,739	$ 412	$ 10,211	$ 9,768
FUND BALANCES					
Unreserved:					
Undesignated	$ 60	$ 9,739	$ 412	$ 10,211	$ 9,768
Total Fund Balances	$ 60	$ 9,739	$ 412	$ 10,211	$ 9,768

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
ALL NON-EXPENDABLE TRUST FUNDS
For the Fiscal Year Ended June 30, 1987
(In Thousands of Dollars)

	Confederate Memorial Park	State Public School	Smith Memorial Endowment Trust	Totals June 30, 1987	Totals June 30, 1986
Operating Revenues:					
Interest, Penalties and Unclaimed Properties	$ 4	$ 10	$ 26	$ 40	$ 54
Total Operating Revenues	4	10	26	40	54
Operating Expenses:					
Operations	---	---	60	60	---
Total Operating Expenses	---	---	60	60	---
Operating Income (Loss)	4	10	(34)	(20)	54
Non-Operating Revenues (Expenses):					
Contributions and Intergovernmental	---	1	---	1	---
Total Non-Operating Revenues (Expenses)	---	1	---	1	---
Income (Loss) Before Operating Transfers	4	11	(34)	(19)	54
Operating Transfers In	---	466	---	466	482
Net Income (Loss)	4	477	(34)	447	536
Fund Balances - Beginning	60	9,262	446	9,768	9,232
Prior Period Adjustments (Note 12)	(4)	---	---	(4)	---
Fund Balances - Ending	$ 60	$ 9,739	$ 412	$ 10,211	$ 9,768

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
ALL NON-EXPENDABLE TRUST FUNDS
For the Fiscal Year Ended June 30, 1987
(In Thousands of Dollars)

	Confederate Memorial Park	State Public School	Smith Memorial Endowment Trust	Totals June 30, 1987	Totals June 30, 1986
Sources of Working Capital					
Operations:					
Net Income (Loss)	$ 4	$ 477	$ (34)	$ 447	$ 536
Working Capital Provided by Operations	4	477	(34)	447	536
Total Sources of Working Capital	4	477	(34)	447	536
Uses of Working Capital					
Increase in Long-Term Assets	1	266	---	267	365
Total Uses of Working Capital	1	266	---	267	365
Net Increase (Decrease) in Working Capital	$ 3	$ 211	$ (34)	$ 180	$ 171
Elements of Net Increase (Decrease) in Working Capital					
Cash and Cash Equivalents	$ 3	$ (81)	$ (36)	$ (114)	$ 172
Interest Receivable	---	---	1	1	(1)
Due from Other Funds	---	292	1	293	---
Net Increase (Decrease) in Working Capital	$ 3	$ 211	$ (34)	$ 180	$ 171

The notes to the financial statements are an integral part of this statement.

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STATE OF MISSOURI
COMBINING BALANCE SHEET
ALL EXPENDABLE TRUST FUNDS
June 30, 1987
(In Thousands of Dollars)

	Agricultural Emergency	Babler State Park	School for the Blind	School for the Deaf	Institution Gift Trust	Social Services Crippled Children
ASSETS						
Cash and Cash Equivalents	$ 106	$ 502	$ 24	$ 1	$ 1,360	$ 26
Investments	3,805	477	3,627	142	---	---
Accounts Receivable	---	---	---	---	---	---
Interest Receivable	19	1	45	2	9	---
Due from Other Funds	---	---	---	---	1	---
Inventory	---	1	---	---	---	---
Loans Receivable	2,041	---	---	---	---	---
Total Assets	$ 5,971	$ 981	$ 3,696	$ 145	$ 1,370	$ 26
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable	$ 42	$ 15	$ 19	$ ---	$ 62	$ ---
Accrued Payroll	---	---	---	---	---	---
Due to Other Funds	2	2	---	---	1	---
Deferred Revenue	---	---	43	2	---	---
Total Liabilities	44	17	62	2	63	---
Fund Balances:						
Reserved for Inventory	---	1	---	---	---	---
Reserved for Loans Receivable	2,041	---	---	---	---	---
Reserved for Unclaimed Properties	---	---	---	---	---	---
Unreserved:						
Designated for Encumbrances	1	---	331	---	44	---
Undesignated	3,885	963	3,303	143	1,263	26
Total Fund Balances	5,927	964	3,634	143	1,307	26
Total Liabilities and Fund Balances	$ 5,971	$ 981	$ 3,696	$ 145	$ 1,370	$ 26

Johnson-Travis Memorial State Gardens	Professional Liability Review Board	Handicapped Children's Trust	Unclaimed Property	Unemployment Compensation	Totals June 30, 1987	Totals June 30, 1986
$ 178	$ ---	$ 15	$ 4,682	$ 346,915	$353,809	$308,281
---	---	118	---	---	8,169	8,070
---	---	---	---	3,652	3,652	3,599
2	---	1	47	---	126	120
---	---	---	7	305	313	310
---	---	---	---	---	3	3
---	---	---	---	---	2,041	2,385
$ 180	$ ---	$ 134	$ 4,736	$ 350,872	$368,111	$322,768
$ ---	$ ---	$ ---	$ 17	$ 2,618	$ 2,773	$ 10,801
---	---	---	---	---	---	6
---	---	---	292	---	297	3
---	---	1	7	---	53	53
---	---	1	316	2,618	3,123	10,863
---	---	---	---	---	1	3
---	---	---	---	---	2,041	2,385
---	---	---	1,008	---	1,008	358
---	---	---	---	---	376	9
180	---	133	3,412	348,254	361,562	309,150
180	---	133	4,420	348,254	364,988	311,905
$ 180	$ ---	$ 134	$ 4,736	$ 350,872	$368,111	$322,768

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL EXPENDABLE TRUST FUNDS
For the Fiscal Year Ended June 30, 1987
(In Thousands of Dollars)

	Agricultural Emergency	Babler State Park	School for the Blind	School for the Deaf	Institution Gift Trust	Social Services Crippled Children
Revenues:						
Licenses, Fees and Permits	$ ---	$ 105	$ ---	$ ---	$ ---	$ ---
Leases and Rentals	---	2	---	---	---	---
Services	---	---	---	---	---	41
Contributions and Intergovernmental	---	---	408	12	520	33
Interest, Penalties and Unclaimed Properties	544	65	---	---	58	1
Miscellaneous Revenues	---	---	---	---	10	8
Total Revenues	544	172	408	12	588	83
Expenditures:						
Current:						
General Government	39	---	---	---	---	---
Education	---	---	174	2	---	---
Natural and Economic Resources	166	239	---	---	---	---
Human Services	---	---	---	---	335	207
Capital Outlay	9	7	243	---	26	26
Total Expenditures	214	246	417	2	361	233
Excess Revenues (Expenditures)	330	(74)	(9)	10	227	(150)
Other Financing Sources (Uses):						
Operating Transfers In	---	---	---	---	---	---
Operating Transfers Out	---	---	---	---	---	---
Total Other Financing Sources (Uses)	---	---	---	---	---	---
Excess Revenues and Other Sources (Expenditures and Other Uses)	330	(74)	(9)	10	227	(150)
Fund Balances - Beginning	5,941	1,039	3,643	133	1,080	176
Increase (Decrease) in Loans Receivable and Reserve for Inventory	(344)	(1)	---	---	---	---
Fund Balances - Ending	$ 5,927	$ 964	$ 3,634	$ 143	$ 1,307	$ 26

Johnson-Travis Memorial State Gardens	Professional Liability Review Board	Handicapped Children's Trust	Unclaimed Property	Unemployment Compensation	Totals June 30, 1987	Totals June 30, 1986
$ ---	$ ---	$ ---	$ ---	$ ---	$ 105	$ 140
---	---	---	---	---	2	2
---	---	---	---	---	41	135
172	---	20	---	274,040	275,205	319,749
8	---	---	5,321	22,975	28,972	35,316
---	---	---	---	239	257	778
180	---	20	5,321	297,254	304,582	356,120
---	305	---	1,128	---	1,472	703
---	---	---	---	---	176	165
---	---	---	---	---	405	407
---	---	---	---	244,186	244,728	217,848
---	---	---	---	---	311	251
---	305	---	1,128	244,186	247,092	219,374
180	(305)	20	4,193	53,068	57,490	136,746
---	---	---	150	---	150	50
---	---	---	(4,212)	---	(4,212)	(7,486)
---	---	---	(4,062)	---	(4,062)	(7,436)
180	(305)	20	131	53,068	53,428	129,310
---	305	113	4,289	295,186	311,905	182,700
---	---	---	---	---	(345)	(105)
$ 180	$ ---	$ 133	$ 4,420	$ 348,254	$ 364,988	$ 311,905

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
COMBINING BALANCE SHEET
ALL PENSION AND INSURANCE TRUST FUNDS
June 30, 1987
(In Thousands of Dollars)

	Missouri State Employees' Retirement System	Highway Employees' and Highway Patrol Retirement System	Missouri State Employees' Medical Care and Life Insurance Program	Highway Employees' and Highway Patrol Insurance Plan	Totals June 30, 1987	Totals June 30, 1986
ASSETS						
Cash and Cash Equivalents	$ ---	$ 124	$ ---	$ 230	$ 354	$ 452
Investments	1,142,653	359,657	12,770	9,536	1,524,616	1,313,380
Accounts Receivable	31,949	676	426	1	33,052	18,628
Interest and Dividends Receivable	8,814	---	228	289	9,331	8,326
Due from Other Funds	7,311	---	3,341	---	10,652	9,866
Prepaid Expenses	---	1	---	---	1	19
Land	71	---	---	---	71	---
Buildings	1,127	---	---	---	1,127	---
Accumulated Depreciation	(28)	---	---	---	(28)	---
Equipment	905	---	---	---	905	611
Accumulated Depreciation	(286)	---	---	---	(286)	(211)
Total Assets	$1,192,516	$ 360,458	$ 16,765	$ 10,056	$1,579,795	$1,351,071
LIABILITIES AND FUND EQUITY						
Liabilities:						
Cash Overdraft	$ 7,999	$ ---	$ 581	$ ---	$ 8,580	$ 5,500
Accounts Payable	54,121	103	11,635	3,287	69,146	70,122
Deferred Revenues	---	---	865	756	1,621	1,359
Accrued Vacation	58	---	43	---	101	58
Total Liabilities	62,178	103	13,124	4,043	79,448	77,039
Fund Equity:						
Fund Balances:						
Reserved for Retirement System	1,130,338	360,355	---	---	1,490,693	1,262,958
Reserved for Insurance Benefits	---	---	3,641	6,013	9,654	11,074
Total Fund Equity	1,130,338	360,355	3,641	6,013	1,500,347	1,274,032
Total Liabilities and Fund Equity	$1,192,516	$ 360,458	$ 16,765	$ 10,056	$1,579,795	$1,351,071

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
ALL PENSION AND INSURANCE TRUST FUNDS
For the Fiscal Year Ended June 30, 1987
(In Thousands of Dollars)

	Missouri State Employees' Retirement System	Highway Employees' and Highway Patrol Retirement System	Missouri State Employees' Medical Care and Life Insurance Program	Highway Employees' and Highway Patrol Insurance Plan	Totals June 30, 1987	Totals June 30, 1986
Operating Revenues:						
Employer Contributions	$ 72,459	$ 36,592	$ 36,991	$ 4,535	$ 150,577	$ 140,997
Employee Contributions	---	---	18,291	8,566	26,857	24,537
Reimbursement for Benefits Paid	15,239	---	---	---	15,239	11,061
Interest and Dividends	48,921	19,454	1,180	620	70,175	67,670
Net Gain on Sale of Investments	128,527	9,306	---	---	137,833	81,331
Miscellaneous Revenues	7,944	487	---	---	8,431	4,717
Total Operating Revenues	273,090	65,839	56,462	13,721	409,112	330,313
Operating Expenses:						
Personal Services	694	---	344	---	1,038	919
Operations	6,267	324	2,382	545	9,518	7,318
Retirement and Insurance Benefits	22,695	15,891	55,752	12,359	106,697	95,966
Unfunded Benefits	15,239	---	---	---	15,239	11,017
Employee Refunds	44	---	---	---	44	474
Depreciation	113	---	---	---	113	51
Total Operating Expenses	45,052	16,215	58,478	12,904	132,649	115,745
Operating Income (Loss)	228,038	49,624	(2,016)	817	276,463	214,568
Non-Operating Revenues (Expenses):						
Increase (Decrease) in Unrealized Appreciation of Investments	(60,575)	10,648	(221)	---	(50,148)	115,440
Total Non-Operating Revenues (Expenses)	(60,575)	10,648	(221)	---	(50,148)	115,440
Net Income (Loss)	167,463	60,272	(2,237)	817	226,315	330,008
Fund Balances - Beginning	962,875	300,083	5,878	5,196	1,274,032	944,024
Fund Balances - Ending	$1,130,338	$ 360,355	$ 3,641	$ 6,013	$1,500,347	$1,274,032

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
ALL PENSION AND INSURANCE TRUST FUNDS
For the Fiscal Year Ended June 30, 1987
(In Thousands of Dollars)

	Missouri State Employees' Retirement System	Highway Employees' and Highway Patrol Retirement System	Missouri State Employees' Medical Care and Life Insurance Program	Highway Employees' and Highway Patrol Insurance Plan	Totals June 30, 1987	Totals June 30, 1986
Sources of Working Capital						
Operations:						
Net Income (Loss)	$ 167,463	$ 60,272	$ (2,237)	$ 817	$ 226,315	$ 330,008
Items not Requiring Working Capital - Depreciation	113	---	---	---	113	51
Working Capital Provided by Operations	167,576	60,272	(2,237)	817	226,428	330,059
Increase in Long-Term Liabilities	19	---	23	---	42	11
Disposition of Fixed Assets	8	---	---	---	8	148
Decrease in Long-Term Assets	---	---	2,209	---	2,209	294
Total Sources of Working Capital	167,603	60,272	(5)	817	228,687	330,512
Uses of Working Capital						
Acquisition of Property, Plant and Equipment	1,511	---	---	---	1,511	148
Increase in Long-Term Assets	152,843	58,753	---	1,846	213,442	374,335
Total Uses of Working Capital	154,354	58,753	---	1,846	214,953	374,483
Net Increase (Decrease) in Working Capital	$ 13,249	$ 1,519	$ (5)	$ (1,029)	$ 13,734	$ (43,971)
Elements of Net Increase (Decrease) in Working Capital						
Cash and Cash Equivalents	$ ---	$ 124	$ ---	$ (223)	$ (99)	$ (525)
Accounts Receivable	15,994	(1,612)	43	---	14,425	6,530
Interest and Dividends Receivable	1,024	---	(12)	(7)	1,005	1,799
Due from Other Funds	(31)	---	818	---	787	2,064
Prepaid Expenses	---	---	---	(18)	(18)	19
Cash Overdraft	(3,720)	522	116	---	(3,082)	(612)
Accounts Payable	(18)	2,485	(930)	(559)	978	(53,570)
Deferred Revenues	---	---	(40)	(222)	(262)	324
Net Increase (Decrease) in Working Capital	$ 13,249	$ 1,519	$ (5)	$ (1,029)	$ 13,734	$ (43,971)

The notes to the financial statements are an integral part of this statement.

The General Fixed Assets Account Group is a self-balancing group of accounts which account for the general fixed assets of the State.

STATE OF MISSOURI
SCHEDULE OF GENERAL FIXED ASSETS
BY SOURCES
June 30, 1987
(In Thousands of Dollars)

General Fixed Assets	
Land	$ 249,953
Land Improvements	18,229
Buildings	494,439
Equipment	320,121
Construction In Progess	35,023
Total General Fixed Assets	$1,117,765
Investment in General Fixed Assets from:	
General Fund Revenues	$ 557,245
Special Revenue Fund Revenues	468,673
Capital Projects Funds:	
General Obligation Bonds	79,550
Federal Grants	10,027
Expendable Trust Fund Revenues	2,270
Total Investment in General Fixed Assets	$1,117,765

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
SCHEDULE OF GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
For the Fiscal Year Ended June 30, 1987
(In Thousands of Dollars)

Function and Activity	Land	Land Improvements	Buildings	Equipment	Totals
General Government:					
Legislative	$ ---	$ ---	$ ---	$ 5,512	$ 5,512
Judicial	---	---	---	2,787	2,787
Executive	---	---	---	4,485	4,485
Administrative	2,439	263	33,508	4,539	40,749
Revenue	---	---	---	10,418	10,418
Natural and Economic Resources:					
Agriculture	13	438	3,755	2,621	6,827
Conservation	179,903	619	20,571	25,031	226,124
Economic Development	---	---	703	3,131	3,834
Labor and Industrial Relations	1,302	280	12,736	9,073	23,391
Natural Resources	43,846	10,882	12,722	13,278	80,728
Education:					
Elementary and Secondary	584	465	35,451	9,487	45,987
Higher Education	---	---	---	732	732
Transportation and Law Enforcement:					
Highways and Transportation	5,901	---	42,213	133,178	181,292
Public Safety	2,382	569	41,465	32,714	77,130
Human Services:					
Mental Health	10,596	1,401	149,828	30,435	192,260
Social Services	284	20	3,823	13,265	17,392
Health	716	142	24,325	13,342	38,525
Corrections and Human Resources	1,987	3,150	113,339	6,093	124,569
Total General Fixed Assets Allocated to Functions	$249,953	$ 18,229	$ 494,439	$ 320,121	1,082,742
Construction In Progress					35,023
Total General Fixed Assets					$1,117,765

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
For the Fiscal Year Ended June 30, 1987
(In Thousands of Dollars)

Function and Activity	General Fixed Assets 7/1/86	Adjustments	Additions	Deletions	General Fixed Assets 6/30/87
General Government:					
Legislative	$ 5,769	$ (269)	$ 12	$ ---	$ 5,512
Judicial	3,469	(682)	---	---	2,787
Executive	3,247	952	286	---	4,485
Administrative	92,614	(52,364)	685	(186)	40,749
Revenue	11,083	(2,039)	1,375	(1)	10,418
Natural and Economic Resources:					
Agriculture	27,431	(20,635)	231	(200)	6,827
Conservation	227,065	(20,758)	22,896	(3,079)	226,124
Economic Development	6,791	(4,285)	1,418	(90)	3,834
Labor and Industrial Relations	29,976	(9,715)	3,137	(7)	23,391
Natural Resources	69,444	8,911	3,629	(1,256)	80,728
Education:					
Elementary and Secondary	62,863	(17,246)	484	(114)	45,987
Higher Education	7,328	(6,666)	88	(18)	732
Transportation and Law Enforcement:					
Highways and Transportation	203,670	(33,038)	18,708	(8,048)	181,292
Public Safety	95,293	(24,134)	11,028	(5,057)	77,130
Human Services:					
Mental Health	285,089	(97,483)	4,862	(208)	192,260
Social Services	182,225	(166,762)	2,717	(788)	17,392
Health	*	36,933	2,066	(474)	38,525
Corrections and Human Resources	*	69,840	54,729	---	124,569
Total General Fixed Assets Allocated to Functions	1,313,357	(339,440)	128,351	(19,526)	1,082,742
Construction In Progress	---	1,970	37,612	(4,559)	35,023
Total General Fixed Assets	$ 1,313,357	$ (337,470)	$ 165,963	$ (24,085)	$ 1,117,765

*The departments of Health and Corrections and Human Resources were previously combined with Social Services. The 7/1/86 balance of Social Services includes these two departments.

The notes to the financial statements are an integral part of this statement.

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The General Long-Term Debt Account Group is a self-balancing group of accounts which account for the unmatured general long-term debt of the State.

STATE OF MISSOURI
STATEMENT OF CHANGES IN GENERAL LONG-TERM DEBT
For the Fiscal Year Ended June 30, 1987
(In Thousands of Dollars)

	Balance July 1, 1986	Change In General Obligation Bonds	Debt Service Fund Operations	Increase In Accrued Leave	Change In Pension Benefits	Change In Due to Other Entities	Change In Lease/ Purchase Agreements	Balance June 30, 1987
Amount Available in Debt Service Funds	$ 52,671	$ ---	$ 19,728	$ ---	$ ---	$ ---	$ ---	$ 72,399
Amount to Be Provided for Retirement of General Long-Term Debt	769,027	377,605	(19,728)	4,973	45,528	693	57,328	1,235,426
Total Available and to Be Provided	$821,698	$ 377,605	$ ---	$ 4,973	$ 45,528	$ 693	$ 57,328	$1,307,825
Due to Other Entities	$ 15,331	$ ---	$ ---	$ ---	$ ---	$ 693	$ ---	$ 16,024
General Obligation Debt Payable	308,920	377,605	---	---	---	---	---	686,525
Obligations Under Lease/ Purchases	2,794	---	---	---	---	---	57,328	60,122
Accrued Compensated Absences and Pension Benefits	494,653	---	---	4,973	45,528	---	---	545,154
Total General Long-Term Debt	$821,698	$ 377,605	$ ---	$ 4,973	$ 45,528	$ 693	$ 57,328	$1,307,825

The notes to the financial statements are an integral part of this statement.

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College and University Funds account for all transactions relating to institutions of higher education.

Current Funds:

Restricted - Accounts for resources restricted by the donor or external agency for a specific use or program at the university.

Unrestricted - Accounts for currently expendable resources which may be either designated or not designated by the university for specific purposes.

Fiduciary Funds:

Loan - Accounts for resources provided by the Federal government, private gifts and other university funds, which are available for loans to students.

Endowment - Accounts for resources and related transactions which are invested in accordance with donor restrictions and only the income earned thereon may be expended. Quasi-endowments are expendable but primarily are held for specified purposes. All earnings are currently expendable for restricted purposes and are reported in the Restricted Fund of Current Funds. All realized gains and losses on sales of investments in this fund group are treated as principal transactions.

Retirement - Accounts for resources set aside by the university under a retirement, disability and death benefit plan for employees.

Agency - Accounts for payroll withholdings, other employee benefit programs, and amounts held in custody for students, university-related organizations and others.

Plant Funds:

Unexpended - Accounts for the various unexpended resources to finance the acquisition and/or repair or replacement of long-lived plant assets.

Renewal and Replacement - Accounts for renewal and replacement of those facilities constructed from bond proceeds which remain governed under a related bond indenture of trust.

Debt Retirement - Accounts for the resources restricted to interest and principal payments and other debt service charges related to plant indebtedness.

Net Investment in Plant - Accounts for all long-lived assets in the service of the institution and all construction in progress and their associated liabilities.

STATE OF MISSOURI
COMBINING BALANCE SHEET
ALL COLLEGE AND UNIVERSITY FUNDS
June 30, 1987
(In Thousands of Dollars)

	Current			Endowment and Similar	Retirement and Similar	Agency	Plant	Totals	
	Unrestricted	Restricted	Loan					June 30, 1987	June 30, 1986
ASSETS									
Cash and Cash Equivalents	$ 46,370	$ 14,384	$ 9,061	$ 13,855	$ 43,895	$ 6,016	$ 78,051	$ 211,632	$ 172,108
Investments	8,207	62	1	101,267	464,104	2,959	---	576,600	475,341
Receivables	70,120	13,010	52,528	294	---	2,135	102,213	240,300	286,870
Due from Other Funds	2,060	43	37	---	---	26	71	2,237	2,058
Inventories and Prepaid Items	22,290	81	---	---	---	16	111	22,498	22,736
Deferred Debt Expense	---	---	---	---	---	---	602	602	5
Discount on Bonds	---	---	---	---	---	---	106	106	115
Medical Professional Liability Plan Assets	---	---	---	---	---	---	---	---	7,522
Construction In Progress	---	---	---	---	---	---	95,432	95,432	51,547
Land and Improvements	---	---	---	---	---	---	60,959	60,959	48,456
Building and Improvements	---	---	---	---	---	---	927,325	927,325	740,330
Equipment	---	---	---	---	---	---	273,658	273,658	249,097
Library Books	---	---	---	---	---	---	97,999	97,999	89,831
Total Assets	$ 149,047	$ 27,580	$61,627	$ 115,416	$ 507,999	$ 11,152	$1,636,527	$2,509,348	$2,146,016
LIABILITIES AND FUND EQUITY									
Liabilities:									
Bank Overdraft	$ 993	$ 52	$ ---	$ ---	$ ---	$ ---	$ ---	$ 1,045	$ ---
Accounts Payable	37,838	3,380	2	58	13,754	5,477	14,396	74,905	65,468
Due to Other Funds	1,493	117	20	387	---	63	157	2,237	2,058
Deferred Revenues	22,263	---	---	---	---	4	---	22,267	19,108
Deposits	1,173	---	---	---	---	---	---	1,173	1,733
Funds Held for Others	---	---	---	---	---	5,608	---	5,608	3,820
Capital Lease Obligations	---	---	---	---	---	---	17,659	17,659	13,281
Medical Professional Liability Plan Losses	---	---	---	---	---	---	---	---	4,685
Bonds and Notes Payable	---	---	---	---	---	---	145,125	145,125	121,483
Total Liabilities	63,760	3,549	22	445	13,754	11,152	177,337	270,019	231,636
Fund Equity:									
Investment in Plant	---	---	---	---	---	---	1,291,840	1,291,840	1,048,913
Fund Balances:									
Reserved for Colleges and Universities	15,535	24,031	58,721	89,304	494,245	---	127,160	808,996	731,176
Unreserved:									
Undesignated	69,752	---	2,884	25,667	---	---	40,190	138,493	134,291
Total Fund Equity	85,287	24,031	61,605	114,971	494,245	---	1,459,190	2,239,329	1,914,380
Total Liabilities and Fund Equity	$ 149,047	$ 27,580	$61,627	$ 115,416	$ 507,999	$ 11,152	$1,636,527	$2,509,348	$2,146,016

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
COMBINING BALANCE SHEET
ALL COLLEGE AND UNIVERSITY PLANT FUNDS
June 30, 1987
(In Thousands of Dollars)

	Unexpended	Renewals and Replacements	Retirement of Indebtedness	Investment in Plant	Totals June 30, 1987	Totals June 30, 1986
ASSETS						
Cash and Cash Equivalents	$ 26,005	$ 24,663	$ 27,383	$ ---	$ 78,051	$ 72,290
Accounts Receivable	86,532	12,631	2,816	234	102,213	150,593
Due from Other Funds	69	---	2	---	71	8
Inventories and Prepaid Items	---	---	79	32	111	648
Deferred Charges	---	---	602	---	602	6
Discount on Bonds	---	---	106	---	106	116
Construction In Progress	16,165	---	---	79,267	95,432	51,547
Land and Improvements	---	---	---	60,959	60,959	48,456
Building and Improvements	---	---	---	927,325	927,325	740,329
Equipment	---	---	---	273,658	273,658	249,097
Library Books	---	---	---	97,999	97,999	89,831
Total Assets	$ 128,771	$ 37,294	$ 30,988	$1,439,474	$1,636,527	$1,402,921
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable	$ 10,646	$ 1,893	$ 1,857	$ ---	$ 14,396	$ 13,998
Due from Other Funds	90	50	17	---	157	134
Capital Lease Obligations	---	---	---	17,659	17,659	13,281
Bonds and Notes Payable	11,739	---	3,411	129,975	145,125	121,486
Total Liabilities	22,475	1,943	5,285	147,634	177,337	148,899
Fund Equity:						
Net Investment in Plant	---	---	---	1,291,840	1,291,840	1,048,909
Fund Balances:						
Reserved for Plant Funds	73,307	34,238	19,615	---	127,160	130,399
Unreserved:						
Undesignated	32,989	1,113	6,088	---	40,190	74,714
Total Fund Equity	106,296	35,351	25,703	1,291,840	1,459,190	1,254,022
Total Liabilities and Fund Equity	$ 128,771	$ 37,294	$ 30,988	$1,439,474	$1,636,527	$1,402,921

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
COMBINING STATEMENT OF CHANGES IN FUND EQUITY
ALL COLLEGE AND UNIVERSITY PLANT FUNDS
For the Fiscal Year Ended June 30, 1987
(In Thousands of Dollars)

	Unexpended	Renewals and Replacements	Retirement of Indebtedness	Investment in Plant	Eliminations	Totals June 30, 1987	Totals June 30, 1986
Revenues and Other Additions:							
Tuition and Fees	$ ---	$ 80	$ 411	$ ---	$ ---	$ 491	$ 405
State Appropriations, Grants and Contracts	20,443	3,918	---	---	---	24,361	159,992
Federal Grants and Contracts	---	1,164	77	---	---	1,241	77
Private Gifts, Grants and Contracts	5,054	66	2	9,117	---	14,239	6,174
Investment Income	1,152	545	1,171	657	---	3,525	3,649
Expended for Plant Facilities	---	---	---	102,762	(89,698)	13,064	25,743
Retirement of Indebtedness	3,861	---	433	13,585	(12,519)	5,360	4,134
Revenue Bonds Issued	17,073	---	---	---	---	17,073	---
Other Additions	324	1,120	28	5,528	---	7,000	8,167
Total Revenues and Other Additions	47,907	6,893	2,122	131,649	(102,217)	86,354	208,341
Expenditures and Other Deductions:							
Expended for Plant Facilities	89,698	25,613	---	2,554	(89,698)	28,167	29,245
Retirement of Indebtedness	---	---	12,519	20,932	(12,519)	20,932	3,850
Interest on Indebtedness	---	---	8,541	172	---	8,713	7,493
Disposal of Plant Facilities	---	---	---	1,820	---	1,820	219
Other Deductions	---	975	267	2	---	1,244	4,106
Total Expenditures and Other Deductions	89,698	26,588	21,327	25,480	(102,217)	60,876	44,913
Transfers Among Funds - Additions (Deductions)	4,121	15,737	23,069	1,209	---	44,136	36,946
Net Increase (Decrease) in Fund Equity	(37,670)	(3,958)	3,864	107,378	---	69,614	200,374
Fund Equity - Beginning	143,966	39,309	21,839	1,048,908	---	1,254,022	1,053,648
Prior Period Adjustments (Note 12)	---	---	---	135,554	---	135,554	---
Fund Equity - Ending	$ 106,296	$ 35,351	$ 25,703	$1,291,840	$ ---	$1,459,190	$1,254,022

The notes to the financial statements are an integral part of this statement.

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The Statistical Section presents data relating to physical, economical and political characteristics to provide report users with a broader and more complete understanding of the State government.

STATE OF MISSOURI
REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION
ALL GOVERNMENTAL FUND TYPES (1)
For the Last Nine Fiscal Years (2)
(In Thousands of Dollars)

Revenues by Source	Fiscal Years Ended June 30								
	1987	1986	1985	1984	1983	1982	1981	1980	1979
Taxes	$3,586,246	$3,337,740	$3,089,972	$2,899,532	$2,395,405	$2,136,062	$1,962,168	$1,916,077	$1,832,851
Licenses, Fees and Permits	283,176	271,638	252,509	202,327	183,721	178,155	156,392	192,107	168,276
Sales	12,180	15,084	9,712	7,117	6,742	6,926	6,609	5,495	4,037
Leases and Rentals	1,026	1,067	930	991	906	973	4,943	1,055	1,522
Services	56,169	47,240	74,993	38,146	41,303	42,106	55,899	10,156	9,239
Contributions and Intergovernmental	1,475,195	1,444,620	1,371,712	1,189,283	1,063,977	994,273	1,051,937	1,071,539	832,222
Interest, Penalties and Unclaimed Properties	75,717	76,263	82,991	60,095	45,788	65,890	55,470	73,177	50,620
Miscellaneous Revenues	11,962	11,420	11,895	27,798	12,613	3,566	2,633	1,117	1,000
Total Revenues	5,501,671	5,205,072	4,894,714	4,425,289	3,750,455	3,427,951	3,296,051	3,270,723	2,899,767
Expenditures by Function									
General Government	339,128	282,386	262,399	247,412	271,602	237,121	237,029	191,880	161,165
Education	2,257,574	2,078,683	1,854,944	1,748,984	1,417,981	1,270,204	1,279,493	1,147,698	1,008,059
Natural and Economic Resources	371,246	278,578	245,467	227,536	132,717	128,959	139,096	120,045	91,859
Transportation and Law Enforcement	757,795	849,691	725,587	577,942	514,818	443,744	492,194	575,604	510,597
Human Services	1,710,691	1,611,564	1,524,323	1,489,766	1,313,077	1,213,949	1,231,762	1,071,273	882,438
Capital Outlay	316,309	192,444	138,187	119,682	83,903	125,123	140,063	133,919	90,108
Debt Service	48,865	32,700	23,245	15,484	7,860	7,866	5,621	5,613	10,044
Total Expenditures	5,801,608	5,326,046	4,774,152	4,426,806	3,741,958	3,426,966	3,525,258	3,246,032	2,754,270
Excess Revenues (Expenditures)	$ (299,937)	$ (120,974)	$ 120,562	$ (1,517)	$ 8,497	$ 985	$ (229,207)	$ 24,691	$ 145,497

(1) Includes General, Special Revenue, Debt Service and Capital Projects Funds.

(2) Modified accrual accounting data is available for nine years.

STATE OF MISSOURI
REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION
GENERAL REVENUE FUND
For the Last Nine Fiscal Years (1)
(In Thousands of Dollars)

Revenues by Source	Fiscal Years Ended June 30 1987	1986	1985	1984	1983	1982	1981	1980	1979
Taxes	$2,709,795	$2,502,476	$2,327,853	$2,185,866	$1,911,058	$1,782,596	$1,625,932	$1,586,019	$1,491,671
Licenses, Fees and Permits	44,111	40,060	35,384	34,479	32,354	33,672	19,138	56,380	38,263
Sales	2,176	2,216	2,276	2,116	1,871	1,305	5,102	1,258	2,963
Leases and Rentals	115	46	56	52	61	76	738	830	1,340
Services	56,169	47,200	74,991	36,525	30,487	42,103	55,899	4,682	4,381
Contributions and Intergovernmental	942	2,181	8,458	485	4,773	4,509	1,829	16,880	9,305
Interest, Penalties and Unclaimed Properties	29,918	44,619	48,641	32,239	25,192	39,581	36,275	52,024	32,262
Miscellaneous Revenues	8,124	10,574	7,560	11,746	1,580	1,562	1,989	605	688
Total Revenues	2,851,350	2,649,372	2,505,219	2,303,508	2,007,376	1,905,404	1,746,902	1,718,678	1,580,873
Expenditures by Function									
General Government	231,852	198,250	175,872	171,828	203,690	178,017	182,883	138,463	107,035
Education	678,961	608,301	535,813	481,564	387,303	352,575	378,967	343,582	303,994
Natural and Economic Resources	61,008	56,415	45,535	38,867	36,853	37,189	42,523	37,685	31,922
Transportation and Law Enforcement	21,720	19,914	17,293	15,176	17,521	13,597	12,621	10,975	9,086
Human Services	966,570	881,629	791,515	773,564	678,891	641,852	656,349	578,224	468,032
Capital Outlay	118,987	48,671	21,402	20,784	24,268	41,458	44,257	21,187	12,311
Total Expenditures	2,079,098	1,813,180	1,587,430	1,501,783	1,348,526	1,264,688	1,317,600	1,130,116	932,380
Excess Revenues (Expenditures)	$ 772,252	$ 836,192	$ 917,789	$ 801,725	$ 658,850	$ 640,716	$ 429,302	$ 588,562	$ 648,493

(1) Modified accrual accounting data is available for nine years.

STATE OF MISSOURI
TAXES

The Constitution of Missouri, Article X, Section 8, provides general guidelines for property taxes within the State. It limits the State tax on real and tangible personal property to ten cents on each hundred dollars assessed valuation, excluding any tax necessary to pay any bonded debt of the State.

Presently there is a State property tax of three cents on each hundred dollars assessed valuation on all real estate and tangible personal property in the State. This tax collects approximately ten million dollars a year and is paid into the Blind Pension Fund for the pensions of the deserving blind.

Assessed and Estimated Actual Value of Taxable Property
For the Last Ten Years
(In Thousands of Dollars)

	Assessed Value				Total Taxable Property	
Year (3)	Real Estate	Tangible Personal Property	Distributable Property of Public Utility Companies	Merchants and Manufacturers	Assessed Value (1)	Estimated Actual Value (2)
1986	$23,039,991	$ 6,168,173	$ 2,742,665	$ N/A	$31,950,829	$136,537,449
1985	22,530,833	5,586,957	2,633,679	N/A	30,751,469	132,156,356
1984	12,546,995	4,281,307	1,944,012	2,171,843	20,944,157	62,832,471
1983	12,171,828	3,897,142	2,008,943	1,795,321	19,873,234	59,619,702
1982	11,932,774	3,383,247	2,074,073	1,920,679	19,310,773	57,932,319
1981	11,615,343	3,244,137	2,165,527	1,776,379	18,801,386	56,404,158
1980	11,354,978	3,053,600	2,110,810	1,644,526	18,163,914	54,491,742
1979	10,880,302	2,804,524	2,072,941	1,505,578	17,263,345	51,790,035
1978	10,413,672	2,515,285	2,023,690	1,332,300	16,284,947	48,854,841
1977	9,985,408	2,391,300	1,934,036	1,199,648	15,510,392	46,531,176

(1) Data Source: State Tax Commission of Missouri.

(2) (1977 - 1984) Based on taxable property assessed at 33 1/3%.
(1985-1986) Based on residential property assessed at 19%, agricultural property assessed at 12% and commercial property assessed at 32%.

(3) The data for 1987 is not available until December, 1987.

STATE OF MISSOURI
DEBT

The limitations on State debts and bond issues are contained in the Constitution of Missouri, Article III, Section 37. This section restricts the general assembly from contracting or authorizing the contracting of any liability of the State or the issuing of bonds therefore, except:

1. To refund outstanding bonds, the refunding bonds must have a maturity date of not more than twenty-five years from the date of issue.

2. Upon the recommendation of the governor for a temporary liability incurred by an unforeseen emergency or casual deficiency in revenues for an amount not to exceed one million dollars for any one year and to be paid in five years or less.

3. When the liability exceeds one million dollars, the general assembly as on constitutional amendments, or the people by the initiative, may submit a measure containing the amount, purpose and terms of the liability and if the measure is approved by a majority of those voting the liability may be incurred and the bonds issued must be retired within twenty-five years from the date of issue.

Computation of Legal Debt Margin
June 30, 1987
(In Thousands of Dollars)

General Obligation Bonds Authorized	$950,000
Unforeseen Emergency or Casual Deficiency	1,000
Less General Obligation Bonds Issued	729,494
Legal Debt Margin	$221,506

STATE OF MISSOURI
RATIO OF ANNUAL DEBT SERVICE FOR GENERAL BONDED
DEBT TO TOTAL EXPENDITURES
ALL GOVERNMENTAL FUND TYPES (1)
For the Last Nine Fiscal Years (2)
(In Thousands of Dollars Except Ratio Data)

For the Fiscal Year Ended June 30	Debt Service	Total Expenditures	Ratio
1987	$48,865	$ 5,801,608	0.84%
1986	32,700	5,326,046	0.61
1985	23,245	4,774,152	0.49
1984	15,484	4,426,806	0.35
1983	7,860	3,741,958	0.21
1982	7,866	3,426,966	0.23
1981	5,621	3,525,258	0.16
1980	5,613	3,246,032	0.17
1979	10,044	2,754,270	0.36

(1) Includes General, Special Revenue, Debt Service and Capital Projects Funds.

(2) Modified accrual accounting data is available for nine years.

STATE OF MISSOURI
RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE
AND NET GENERAL BONDED DEBT PER CAPITA
For the Last Ten Fiscal Years
(In Thousands of Dollars Except Ratio and Per Capita Data)

For the Fiscal Year Ended June 30 (3)	Population (1)	Assessed Value (2)	General Bond Debt			Net General Bonded Debt	
			Total	Less Debt Service Monies Available	Net	Ratio to Assessed Value	Per Capita
1986	5,066	$31,950,829	$308,920	$52,671	$256,249	0.80%	$50.58
1985	5,029	30,751,469	315,515	35,958	279,557	0.91	55.59
1984	5,008	20,944,157	225,920	24,931	200,989	0.96	40.13
1983	4,963	19,873,234	134,970	14,337	120,633	0.61	24.31
1982	4,942	19,310,773	78,135	9,669	68,466	0.35	13.85
1981	4,939	18,801,386	81,270	8,727	72,543	0.39	14.69
1980	4,917	18,163,914	63,745	6,497	57,248	0.32	11.64
1979	4,912	17,263,345	66,100	6,728	59,372	0.34	12.09
1978	4,889	16,284,947	72,690	11,834	60,856	0.37	12.45
1977	4,863	15,510,392	79,054	9,759	69,295	0.45	14.25

Data Sources:

(1) U.S. Department of Commerce - Bureau of the Census.

(2) State Tax Commission of Missouri - For the year ended December 31.

(3) The 1987 amounts for population and assessed value are not available at this time.

STATE OF MISSOURI
REVENUE BOND COVERAGE
For the Last Ten Fiscal Years
(In Thousands of Dollars Except Coverage Data)

Fiscal Year	Gross Revenue(1)	Direct Operating Expenses(2)	Net Revenue Available For Debt Service	Debt Service Requirements			
				Principal	Interest	Total	Coverage
1987	$ 362,129	$ 13,244	$ 348,885	$ 231,884	$202,370	$434,254	0.80
1986	416,583	11,275	405,308	311,383	174,441	485,824	0.83
1985	333,540	11,564	321,976	164,709	162,886	327,595	0.98
1984	381,589	12,655	368,934	150,016	148,096	298,112	1.24
1983	327,668	5,752	321,916	136,210	111,944	248,154	1.30
1982	78,214	3,663	74,551	42,480	51,723	94,203	0.79
1981	65,563	2,579	62,984	5,548	43,519	49,067	1.28
1980	42,427	1,849	40,578	6,250	27,964	34,214	1.19
1979	25,058	1,644	23,414	2,332	16,304	18,636	1.26
1978	1,790	871	919	346	362	708	1.30

(1) Operating and non-operating revenues.

(2) Operating expenses excluding interest on debt, depreciation and amortization.

STATE OF MISSOURI
ECONOMIC DATA

Industrial Growth

Year	Expanding Manufacturers	New Manufacturers	New Jobs	Investment (In Thousands)
1986	163	98	10,843	$ 1,244,630
1985	123	94	13,997	501,833
1984	108	95	14,043	456,161
1983	105	69	18,390	1,229,961
1982	75	44	7,861	333,674
1981	53	20	5,272	379,653
1980	68	36	7,707	1,074,224
1979	117	75	15,656	426,766
1978	78	71	12,049	238,569
1977	67	68	8,575	126,271

Data Source: Missouri Department of Economic Development.

Bank Deposits

Fiscal Year	State Banks	National Banks	Total Deposits (In Millions)
1987	$ 21,819	$ 21,300	$ 43,119
1986	20,146	20,828	40,974
1985	21,156	15,931	37,087
1984	21,293	13,873	35,166
1983	19,590	12,359	31,949
1982	17,759	11,682	29,441
1981	16,248	10,487	26,735
1980	15,472	8,982	24,454
1979	14,194	8,264	22,458
1978	12,801	8,233	21,034

Data Source: Missouri Department of Economic Development.

STATE OF MISSOURI
ECONOMIC DATA

Retail Sales By Store Group

Year	Food	Restaurants and Similar Establishments	General Merchandise	Furniture, Furnishings and Appliances	Automotive	Drugs	All Other	Totals (In Thousands)
1986	$6,597,049	$ 2,776,871	$ 4,251,511	$ 1,276,243	$8,136,650	$848,085	$7,986,271	$ 31,872,680
1985	6,411,088	2,510,812	4,065,880	1,231,441	7,505,996	835,391	8,202,176	30,762,784
1984	6,122,058	2,389,506	3,857,903	1,137,898	6,558,673	754,458	7,777,143	28,597,639
1983	6,267,111	2,553,856	3,486,401	854,759	4,888,990	719,098	7,362,568	26,132,783
1982	5,676,291	2,423,053	3,372,225	828,368	4,113,365	710,745	6,990,342	24,114,389
1981	5,031,758	2,065,101	3,190,249	865,995	4,322,540	613,880	6,650,734	22,740,257
1980	4,402,430	1,903,377	2,869,402	792,403	4,223,102	518,268	6,042,552	20,751,534
1979	4,302,817	1,665,207	2,699,811	780,343	4,275,540	556,900	5,885,020	20,165,638
1978	3,616,325	1,419,932	2,773,746	751,657	4,362,446	474,266	4,962,156	18,360,528
1977	3,436,663	1,375,152	2,519,202	744,694	3,725,574	450,874	4,331,866	16,584,025

Data Source: Printed by Permission of Sales and Marketing Management Magazine.
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STATE OF MISSOURI
ECONOMIC DATA

Privately Owned Housing Units Authorized By Building Permits

Year	Number of Units	Valuation (In Thousands)
1986	33,208	$ 1,585,970
1985	27,236	1,180,604
1984	24,817	1,018,073
1983	18,687	806,981
1982	11,544	436,208
1981	9,879	361,178
1980	13,621	458,743
1979	19,384	656,708
1978	29,065	895,888
1977	28,081	758,909

Data Source: U.S. Department of Commerce - Bureau of the Census.

Major Manufacturing Employers

The State's 10 major private manufacturing employers and the approximate number employed by each in 1986 were as follows:

Employer	Number Employed
1. McDonnell Douglas Corporation	35,000-40,000
2. General Motors Corporation	10,000-15,000
3. Chrysler Motors Corporation	8,000-10,000
4. The Bendix Corporation (Allied Corporation)	7,000- 8,000
5. Ford Motor Company	7,000- 8,000
6. Monsanto Company	6,000- 7,000
7. Hallmark Cards, Incorporated	6,000- 7,000
8. Brown Group, Incorporated	6,000- 7,000
9. AT&T Technologies, Incorporated	6,000- 7,000
10. Emerson Electric Company	4,000- 5,000

Data Source: Missouri Department of Economic Development.

STATE OF MISSOURI
DEMOGRAPHIC STATISTICS

Population Statistics

Year	Population (In Thousands)	% Change	% of Total Urban	% of Total Rural
1980	4,917	5.1%	68.1%	31.9%
1970	4,677	8.3	70.1	29.9
1960	4,320	9.2	66.6	33.4
1950	3,955	4.5	61.5	38.5
1940	3,785	4.3	51.8	48.2
1930	3,629	6.6	51.2	48.8
1920	3,404	3.4	46.6	53.4
1910	3,293	6.0	42.3	57.7
1900	3,107	16.0	36.3	63.7

Data Sources: U.S. Department of Commerce - Bureau of the Census.
U.S. Department of Commerce - Bureau of Economic Analysis.

School Enrollment

Academic Year	Elementary and Secondary Enrollment (1)	Higher Education Enrollment (2)	Totals (In Thousands)	% Change From Prior Year
1986-87	801	216	1,017	1.0%
1985-86	795	212	1,007	0.0
1984-85	794	213	1,007	(1.6)
1983-84	795	228	1,023	(.6)
1982-83	803	226	1,029	(1.4)
1981-82	819	225	1,044	(1.7)
1980-81	845	217	1,062	(1.3)
1979-80	873	203	1,076	(2.1)
1978-79	900	199	1,099	(9.6)
1977-78	1,008	208	1,216	(1.5)

Data Sources: (1) Missouri Department of Elementary and Secondary Education.
(2) Missouri Department of Higher Education.

STATE OF MISSOURI
DEMOGRAPHIC STATISTICS

Personal Income

Year	Total Personal Income (In Millions)	Per Capita Personal Income	% Change From Prior Year
1986	$69,856	$13,789	5.1%
1985	66,069	13,121	5.9
1984	61,997	12,386	8.6
1983	56,621	11,404	5.5
1982	53,413	10,805	4.9
1981	50,886	10,303	10.8
1980	45,764	9,296	7.9
1979	42,124	8,615	11.4
1978	37,665	7,732	11.6
1977	33,563	6,927	10.9

Data Source: U.S. Department of Commerce - Bureau of Economic Analysis.

Employment
(In Thousands Except Unemployment Rates Data)

Year	Civilian Labor Force	Total Employed	Total Unemployed	Missouri Unemployment Rate	U.S. Unemployment Rate
1986	2,528	2,374	154	6.1%	7.0%
1985	2,472	2,313	159	6.4	7.2
1984	2,379	2,207	172	7.2	7.5
1983	2,351	2,118	233	9.9	9.6
1982	2,311	2,097	214	9.3	9.7
1981	2,317	2,139	178	7.7	7.6
1980	2,270	2,103	167	7.3	7.1
1979	2,293	2,188	105	4.5	5.8
1978	2,262	2,148	114	5.0	6.1
1977	2,220	2,089	131	5.9	7.1

Data Source: Missouri Department of Labor and Industrial Relations.